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Alia Speech at 10th AWP Plenum

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["Democratization of Socioeconomic Life Strengthens the Thinking and Action of the People—Comrade Ramiz Alia's Speech at the 10th Plenum of the Party Central Committee"—ATA headline]

[Text] Tirana, April 19 (ATA)—In the course of past three months since the 9th plenum held its proceedings, our country lived with a new stage of revolutionary enthusiasm. The people welcomed the decisions of this plenum and was inspired for actions intending to constantly perfect our society. The role of the masses further strengthened and their consciousness for the political responsibility resting upon them further developed.

It follows from the informations the Central Committee has accumulated that during this time the party, power organs, and those of economy have been involved in an intense activity. The participation of the masses in the whole social activity has been more effective. Social debate for solving righteously the problems further animated.

In the course of these two-three months, in the context of implementing the decisions of the 9th plenum, many cadres were elected and re-elected. A part of them were reaffirmed, a part were replaced with young, more skilful people. In Tirana alone 266 directors, chiefs, and officials were changed. I want to inform the comrades that, owing to these changes, the decisions of the plenum of the Central Committee for establishing an as righteous numerical proportion as possible of the communist officials to the nonparty ones in the state organs is being implemented ever better. Hence, for instance, in the apparatuses of ministries and central departments today the communists account for 33 per cent of the total number of employees and officials, whereas 67 per cent of them are nonparty members. Nearly 17.5 per cent of the total number of cadres and engineering technical staff who run the economy and culture in combines, plants, factories, agricultural enterprises, and cooperatives in the district of Tirana are communists, whereas 82.5 per cent are nonparty members.

The development of the masses line, as was forecasted, was accompanied with the struggle against bureaucracy. The links of party and power organs with the working people further strengthened. Criticism and self-criticism were made more courageously. The working masses displayed their culture, maturity, and equilibrium in solving the tasks and adopting decisions. This is a great inspiration for the party to march consistently on this road. The masses' skill to use means, laws, and democratic institutions to the good of the socialist progress shows of the correctness of the party's decision. On the opposite, abuses with them would make us think it over. The 9th plenum clearly manifested the militant and antibureaucratic character of our party. The open meetings of the party grassroot organizations, with the free participation of the members of the collective, put their activity and that of all communists under the direct control of masses, enhanced the creative role of the working people in elaborating plans and directives of development, strengthened the party-people unity.

Affirming these encouraging steps, we must be aware of the fact that we have much to do in this direction. The struggle for democratizing the life of the country is an historical process that should accompany socialism in every step. In fact the measures adopted at present constitute a second cycle, a new stage of the historic period that started on the threshold of the 70s, with the well-known speeches of Comrade Enver Hoxha and the decisions adopted by the party at that time for the all-sided revolutionization of its life and of the whole country.

Our party will resolutely march on the road it has set to itself. The decisions adopted at the 9th plenum and which we are further developing and materializing at today's meeting, meet the interests of the people and homeland. We intend to enhance the role of the masses, so as the workers, peasants, intelligentsia, youth, the people themselves be real masters of the country and exercise its power and sovereignty in every field, economy, culture, and defence. Through the strengthening of socialist democracy we intend to revolutionize the life of the country and party so as to guarantee a good development of economy, to enhance the concern of the working people in every field of social activity, to improve uninterruptedly the living conditions.

It should be clear to all of us, beginning with the members of the Party Central Committee and government, that it is not easy to implement the tasks lying in store. It is always difficult to carry out changes. Many factors are interlaced in this direction, that of tradition, of culture, of material conditions. Let's tackle with the problem of competences. We all uphold that the role of masses and their initiative are not enhanced without eliminating the exaggerated centralism of competences in the central organs or executive committees. But bureacracy and routine are not easily uprooted. In order to give up something, you have to learn something else, more qualified. It is easier to do a job you have been used to for dozens of years than to master a new method of management.

Used to exercise the others' rights and establish their authority with personal orders end decisions, there are some officials who put the question: "What should we tackle with now?" These comrades forget that the central organs or executive committees are not created to distribute funds and material base, but to seriously and competently tackle with the elaborating of the policies of development in the respective fields, with the strategy of technical and technological progress, with valuable studies and generalizations, drawn from practice, from the contact and controls in the enterprises of their system. Under the current circumstances there became pyramid of steering apparatus on scientific basis.

The 9th plenum of the Party Central Committee called for a new arrangement of socio-economic life, relying on

discipline, on unified norms and laws, that do not know exceptions. The masses are encouraged to exercise their control on everything done. But the road we have to traverse in order to reach the targets is long. On this road we will meet with the resistance put up by elements who do not understand development as well as by elements who try to damage socialism. We should not forget that class struggle is waged in this field too.

In this respect, the implementation of the decision to elect the cadres, directors, leading cadres of various institutions directly by collectives seems something simple. Nevertheless, the implementation of the masses' line caused troubles to some organisms of the party, power, and economy. Consequently, some procedural acts are performed that artificially hinder the implementation of people's will, pressures are exerted on collectives to elect the previous cadre, somewhere with open votes, so as to approve the candidature preferred by the presidium of the meeting, somewhere some intriguers and lazybones profit from the democratic right of electing from below in order to discredit those cadres who want the implementation of a firm discipline, etc. This is another difficulty we should overcome patiently, through persistent educational work, but also by establishing clear and proper rules. The party should follow the process of the whole work done to implement the decisions of the 9th plenum. If in Tropoje, or in any other district the collectives turn down some recommendations of the responsible organs for elections to the leading posts, the party committee and the executive committee should worry over this in order to get to know better the situation and renew its contacts with the people. If they in the district of Berat say that the party committee may perform its work with half of its effective, we have to act at present. [sentence as received] If a debate took place throughout the country to unify the requests for every work place and the necessary criteria were established, this debate must be extended even to the central organs, including here the apparatus of the Central Committee.

We must bear in mind that the forums are elected and revived periodically, in compliance with the statute and inner rules of the party, while the apparatuses remain the same. Even after the 9th plenum the apparatuses in many directions, in the center and districts, continue to do the same as before, demanding from the others. Whereas the elementary thing to implement its decisions must be: "Start from oneself." The demands for instructors must be in compliance with the demands of the time.

The decision of the 9th plenum put forth the task to uplift onto a higher level the educational work of the party and mass organizations. The whole propaganda must respond to the demands of time. It should give up formulae and slogans and must make use of arguments, to cope with the questions and problems with patience and culture. The party and mass organizations must clarify the people and must refute every influence of the hostile propaganda carried out against our country and socialism.

It is necessary to work tirelessly to strengthen the unity of the people round the party, which is our tested weapon. We have to work with the workers and peasants, with intelligentsia, and particularly with the youth, which is the future of the homeland. We should work to preserve and further promote human values created by socialism, as the love for the homeland and its freedom, moral honesty and purity, the revolutionary and progressive spirit.

It is never excessive to explain to the masses that not too distantly, but 45 years ago, almost 85 percent of the population was illiterate. Whereas today, 75 per cent of the youth attend secondary schools. We should not forget that in 1945 the average lifespan of the Albanian was 38 years. Now it is over seventy. Not too distantly, but 25 years ago, the Albanian girls and women were considered as second-rate beings. There is no unemployment, drugs, and terrorism in Albania. There is no social inequality, as there is no national persecution. The country is developing and progressing without enslaving debts and chains. The people are free in their sovereign homeland. No temporary difficulty or shortage can vanquish these victories of people and socialism.

The major socioeconomic, political transformations that brought the country out of the feudal stage into the modern life, could not have been attained in any other social order, except the socialist society, where the people and power are closely linked with one another. These achievements could not have been translated into life, had Albania not led a free and democratic life where the rights and duties of the citizen are harmonized in the entire society.

Our successes in all fields are linked with the role of the party, with the name of Enver Hoxha, who wisely and determinedly led the Albanian people from one victory to the other. It is for this reason that the people love the party and are bound with it like flesh to bone, it is for this reason that the people and party respect Enver Hoxha and consistently pursue his teachings.

The 10th plenum of the Central Committee is a promotion of our work at the 9th plenum. The main target in today's meeting is to discuss on the measures on perfecting the economic mechanism. Their essence, as Comrade Adil Carcani underscored very well in his report, is the consolidation of the effectiveness of the economy, the creation of the conditions for self-financing in enterprises, the participation of their working people in the distribution of profit ensured by the overfulfillment of the plan, the establishment of the proportions in compliance with the demands of the time between centralism and the competences of the base while working out and

implementing the plans, the enhancement of the role of the economic methods and market, the rapprochement of the prices with the value. Regarding these fundamental issues it is aimed to find new solutions in a socialist way, basing on the criteria established by an intensively and dynamically developing economy. Production needs long-term solutions, which open up the way to all for real competences and initiative, not for mechanic rules and actions, which only give retouches, leaving you in the half-way. The current economic mechanism will require the further enhancement of the role of science in elaborating the policies on development.

The improvements discussed and approved in this plenum are a logical consequence of the objectively created circumstances. We are making changes on a vast front, because the economic situation of the country has evolved, the ideocultural training of the people has been promoted, a rich experience has been accumulated and the links among the economic subjects are more stable. The party eggs on and orientates these changes, to open up fresh perspectives to development, to put the economic and financial system in service of the technical progress and to submit it to the most rational structures in production, to extract more quickly our natural riches and to uplift the people's welfare. The plan should be worked out bearing in mind the economic interest of the working people.

The changes inspired by the party in the field of the relations in production and which are legalized in this meeting of the plenum of the Central Committee are a valuable contribution to the science of socialist political economy itself. The economic theoretical concepts should develop and enrich together with the transformations that are occurring in economy. They assume a new content especially in the intensive stage of its development. Unmistakably we may say that, just like socialism is a long process of development, its economic theory, too, is continuously perfectioning. It should always open up the road to the development of the country using more effectively all the inner socioeconomic resources the country possesses.

The measures on which we discussed will be associated with new norms of the economic and moral education, with another psychology and more active attitude to the work and social property. All these require a change of the goals on the front of education aiming to coordinate its work with the operation of the economic mechanism. This should begin with the school texts, press and propaganda, down to the educative work of the party. In this way education is not neglected, but its importance in the life of the society is enhancing.

The economic levers and methods egg on thinking, the interest and responsibility of every worker and specialist, of every economic organism. In the conditions when the needs of the extended reproduction will be financed by the sources of the enterprises and by credits, when a part of the incomes of the working people and employees will be conditioned and will be determined by the degree of the realisation of the net income in the working center, when the obligation towards the central organs for the production in nature will be mainly the supplies for outside the district and for export, the independent account management of the enterprise assumes a real importance. Under these conditions, each worker and cadre is directly interested to have his say in the promotion of the work in the enterprise and will demand from the leading cadres to render account for the ever more sound organization of production, for the implementation of an ever more progressive technology, for the maintenance of discipline and order by the workers, for the economical administration of the values, for sparing the raw materials, for having ever more skillful people and few in numbers in running. Thus the revolutionizing measures to enlarge the socialist democracy will not remain only principles in general, but will be linked also with the material interest of the working people, because from the profit over the plan the enterprise might ensure, they have the right to get up to three wages in addition annually. Consequently, the worker control assumes real power and new impulses are given to production, education, and tempering of the people.

The economic and social profit from the programme we are undertaking, in the final analysis, will be defined by the growth of productivity and sparings. In a word, the increase of effectiveness of expenses, of the social work and capital investments are decisive everywhere. Currently the central organs mainly deal with these matters, but they cannot cope with them, because they have no possibilities. On the other hand the enterprise officials are more interested in the global volume of production and new investments, considering quality, assortment, financial revenues as second rate problems. We should overcome this contradiction through the new economic mechanism, passing onto the base the interests, decisions and responsibilities for many questions.

It is necessary to activate with maximum effectiveness the material-technical base we have set up, the work sources which keep increasing normally, the favourable climate conditions and the natural assets. This is the immediate and strategic interest of the entire society. To such an end should serve all the levers and links of our economic mechanism. This fundamental problem requires a qualitative improvement of the work of the party organs and of its levers.

While speaking of effectiveness we bear in mind the normal meeting of the needs of the people and of the economy, the improvement of the living conditions. These lofty aims are attained with the growth of incomes, with the production of necessary commodities in quantity, quality, and in time. These questions should be in unity and one-sidedness should not be allowed in practice.

Every interest should have its economic expression. The enterprise must have different interests for the planned task and the delivery, for the financial obligation towards the state, and for its own revenue. Likewise,

worker's wage should depend on the fulfillment or over-fulfillment of the plan or even its non-realization.

In improving the levers of the economic mechanism we should proceed from the real possibilities and clear aims, but experience shows that no measure translated into life can be immunized from the negative consequences. Every improvement in the economic relations is realised through the activity of the people and is a result of their interests. We should egg [on] and back up the economic interest of the people for work and creativeness, but we should bear in mind that in practice we will come across also actions from the positions of the narrow interests of the individual or of the group to the detriment of the society, which should be prevented and restricted. Indifferentism and bourgeois generosity are detrimental phenomena, but they might become dangerous in the conditions of the augmentation of competences of the base and of the enlargement of the sphere of the use of the economic levers. On the other hand, decisive factor for attaining results is the maintenance of the discipline at work by the workers and the engineering technical staff. An end should be put to liberalism and corruption establishing rigorous rules and norms. Now the workers are more interested in the implementation of the rules and disciplines, because everybody's incomes depend on the common work.

Owing to the economic and financial acts we are undertaking, possibilities are created for a complete harmonization of the material aspect with the financial one in all the cycle of reproduction. This will be realized especially through the price adjustments for the accumulation of the agricultural and livestock products and in the wholesale prices for the means of production, as well as through the application of self-financing method in the enterprise and the connection of the renumeration of the working people with the final result of the smallest unit working on its own account. Hence, it is, somewhat, a re-evaluation of the economic role of the branches of production and the contribution of the working people to the socialist construction. This will encourage the efforts for economic effectiveness, for technical progress, for benefical economic exchanges with the foreign countries.

Owing to the perfection of economic mechanism, conditions are created to back-up some new orientations in the proportions and priorities of using the resources of the society, in accordance with the perspective of the intensive development of production and with the necessity to realize some immediate qualitative improvements in the people's consumption.

Such improvements should be deeper, but, in the conditions of keeping intact the retail prices for the firsthand goods, the further progress would be associated with the increase of budget subventions in an administrative way. The main thing is, according to the orientations of the 9th plenum of the Party Central Committee, to narrow the sphere of the influence of non-economic factors in fixing the prices and diminish the possibility of non-productive expenses beyond the limit allowed by the social labor productivity.

The further reduction of redistributions among the branches of production remains a long-term duty we have to realize gradually, alongside the development of the economy and the uplift of the people's well-being.

The studies which provide arguments on the decisions we are adopting must be evaluated in another aspect too: They have stimulated economic and social thought for improvements and analogue actions also in fields beyond their object [as received]. In this context, observations and analysis have been made by the specialists and a series of concrete proposals have been put forward for some further arrangements in the personal and collective yard.

Proceeding from the hitherto facts, we might admit that the objectives set by the 9th Congress of the Party for the people's supply with food-stuff products, especially livestock ones, will be attained as a whole. But, if four years ago we considered people's supply as one of the priorities of the 5-year plan, today it is turned into an imperative priority. The targets of long-term program of the party on people's nutrition should be promoted. Naturally, this must be associated also with the necessary changes in the field of organisation. The aim is to turn into foodstuff products the least exploited source, that is, the vital work.

As it is known, as far as the creation of flocks is concerned, as a result of the haste in applying the party's directives, instead of gaining the results of concentrated production, as it was firstly thought, the number of people employed in livestock production considerably reduced and production fell onto minimal levels. If previously thousands upon thousands of people a day were engaged in the sector of the livestock, after the flocking their number reduced to 3-4 thousand people. Besides this in all the districts there was a slaughtering en masse of the cattle and there was an unpardonable negligence in ensuring the fodder and its zoo veterinary treatment.

In the flocks being raised some of these faults were ironed-out. The number of stock-raisers multiplied 5-6 times and the number of head increased. After 10 years, since the interruption of flock raising, we managed to ensure the number of cattle we had on the eve of the '80 and milk production increased not by dozens, but by hundreds thousands of tons etc.

The flocks, as a new form of organisation, displayed their superiority, especially in the lowland area. There where care was shown, the village was well supplied through the flocks. But it should be said that they were not backed with the necessary material base. There was and there is much hesitation for their development, especially on the part of the cadres and officials. Actually the flocks account for one-third of the country's livestock, and despite the party's insistence, they have at their disposal

only 20 thousand hectares of land, whereas over 120 thousand hectares are provided for the concentrated flock. Neither the heads of cattle, nor the breed or the age of cows is at such level to respond to the growing tasks for the people's supply. Consequently, it would take a very long time to attain the expected level in the supply from flocks especially in the hilly-mountainous zone.

In order to solve the supply question, which is one of the main concerns of the party in meeting the people's needs, of great importance is the decision we adopted in this plenum concerning the personal yard.

Let the cooperativist peasantry judge and decide by itself how to better solve the problem of its supply. There where it thinks it should preserve the collective yard, that is, the flock and plot, let it follow this road. Especially, for the lowland area, intensified with priority, this would be the most advisable way. In this case measures should be adopted for the strengthening of the flocks. If it upholds that the maintainance of the cow or of small cattles in the personal yard is more effective, the agricultural cooperatives, according to the wish of their members, should decide themselves on this. In this case, the cooperativists might be provided with cattles from the flocks, as against the payment, or they would buy them from the peasants who have not raised flocks up to now. Regarding the state farms, here the supply with livestock products will be carried out, as up to now, only through the flocks.

The party committees, the executive committees, as well as the leading organs of the agricultural cooperatives, in adopting their decisions, must not think that now they are relieved of works, the burden of the people's supply with livestock products. [as received] No, on the contrary, they have to get down to a greater organisational and educational work, so as to increase effectively production, both for the countryside and town. The state organs are faced with many tasks especially in fixing the rules and norms for the peasantry market and for the eventual commitments towards the state.

At this plenum of the Central Committee we discussed also on the measures in the field of justice, on the amendments to the penal code etc. As it was said also in the 9th plenum, these changes are a demand of the time. The more our socialist social order strengthens, the more the unity of the people strengthens, the more the culture and civil consciousness of the masses uplifts, the more our socialist legislation promotes.

I wish to stress that with the proposals put forth, our struggle for the defence of the people's power and of socialist order is not weakened.

On the contrary, our state will be severe and determined to deal a heavy blow at any time to the various enemies and evil-doers, those who dare raise their hand against the people's power, against socialist property and that of the citizens, those who violate the orders and norms of socialist life, our laws. For the working masses, for the people who have devoted themselves to the work for the progress and flourishing of the homeland, our laws, as up to now, in the future too, will be a reliable support.

The amendments to the penal code put on an equal footing the protection of the interests of the state and society with those of the citizen, the individual. This is realized not through a declarative way, but by raising the respective institutions, such as the creation of the Ministry of Justice, the creation of the Rehabilitation Institution, Advocacy etc, or by changing some articles of the penal code that time proved to be useless. Comrade Manush Myftiu explained these amendments. They, together with the questions that have to do with the perfection of the economic mechanism, will soon be forwarded to the People's Assembly for discussion and final decision. Regarding the measures related to the elections to the power's organs, of which we spoke at the 9th plenum, they are being prepared and will be presented to the People's Assembly at another session.

The undertaking of the program we are approving in the field of relations in production and the measures for the strengthening of legitimacy manifest the strength of our party of labour, they respond to the level of the country's development. Our society has all the possibilities for progress. These possibilities in economy and in other fields of social life will be translated into life and will be turned into fresh achievments through the united strength of The People, to their interest and socialist construction.

It is a duty of the party organisations, of the power organs and of all the mass organisations, to raise their work to a new higher level, to respond to the demands of the time. I said also above that the changes we are making are not realized by themselves. They call for a more qualified work in all directions. The new tasks are not solved through old methods and mentalities.

Above all, it is indispensable to make clear these decisions to the masses, workers and peasants, to the intelligentsia and youth. All should understand that their correct application will bring about the strengthening of socialism, the strengthening of economy, improvement of the people's life. And this will be attained through work, mobilization and militancy.

We listened to the information yielded by Comrade Hekuran Isai on the implementation of the tasks of the 9th plenum and the fulfilment of the state plan. The results of the first 3-months period in general, are good. But mainly for objective reasons, the plan was not realized in some branches. The great draught had its grave impact especially on energy. Consequently, the export not only was not fulfilled, but such a situation forced the government to close down some plants, as that of ferrochrome etc. and import electric energy to cope with the needs of the economy. The difficulties have mounted also as a result of the changes and disorders occurring in the countries of the east and in general of the new political and economic restructurings in Europe.

Under these circumstances the patriotic and militant spirit of any citizen of our country should be enhanced. The communists and all the working people should be mobilized to realize and overfulfill the tasks everywhere, to discover new sources, to encourage the initiative. Every worker, peasant and intellectual, should understand that today more than ever the homeland needs the maximal contribution of everyone, needs effective work and revolutionary stand on duty.

The struggle of our people and party has aimed and aims at constructing a free and just society, with no exploiters and exploited, where each is evaluated and remunerated according to the work done and his role in the progress of the society where the material and spiritual life of the people is enriched with each passing day. We have fought and fight for a socialist society, in a free, independent, sovereign Albania.

This society, for whose construction our people have devoted their energies for five decades, this society, on whose foundations was shed the blood of 28 thousand martyrs and which was set up through sweat, sacrifices and all-round struggle against poverty, against backwardness, against the numerous enemies and saboteurs, should incessantly strengthen, should reach new heights. This is our duty. And no one but our people, the people's power, our party can peform this duty.

I lay the stress on this question, because now, after the overthrow in the Eurpean East and in the Soviet Union, the international reaction and bourgeoisie are trying to impose on the peoples as absolute truths their norms, to declare as universal their social order, their mode of living, to interfere in the internal affairs of the others, and to dictate prescriptions on what should be done and how it should be made. To this end, they are making use of political pressures and economic blockades, are putting in motion their agencies and spreading all sord of slanders through the mass media. They who are speaking of democracy and pluralism of ideas are exerting a sort of political "terrorism" on Marxism-Leninism.

Fierce propaganda campaigns are launched time and again against our country and party. The Yugoslavs are the forerunners, but the greek reaction, too, and others, do not lag behind. They play one another's tune and spread concoctions from the most phantastic ones. According to them, there is terror in Albania, people are killed in the streets, there are arrests en mass, etc.

The Yugoslavs would like troubles in Albania, because they want to divert the attention of the international public opinion from their internal crisis especially from the violence and killings they are making in Kosova. Others, who in most cases know neither the history, nor the culture and the way of development of Albania, make analogy with the eastern countries and have invented the "domino" theory. They expect sensations.

We have stressed it earlier too that nothing similar with what happened in the Eastern countries will occur in Albania. The Albanian people have shed blood for freedom and independence, hence they will allow nobody to be their own master, they will never allow the beys, aghas, or other richmen, to take up power, the lands, the factories, and suck their blood. Therefore be they the external enemies, internal ones, or the scum of our society, anyone who will dare touch in the slightest the freedom of the homeland, the people's power, socialism, will meet with a people closely linked with the party of labour, a people resolute to safeguard the victories attained even through self-denial.

Our society is not a copy of another country, our revolution is neither imported, nor imposed from abroad. It is inspired by marxism-leninism, but has developed and develops on our national soil and adheres to the outstanding traditions of the Albanian liberation and progressive movement. This constitutes a basic component of our revolution. The one who does not understand this, cannot understand and explain properly the history of new Albania, the origianl road pursued by it.

It is true that in the socialist construction we have striven to profit from the others' experience. But we have never palyed the tune of the others and have not applied anything mechanically without passing it through the Albanian filter.

Our party has always acted with courage and dialectically. It has not feared to see the reality as it is, to analyse seriously the successes and shortcomings, the good and weak points. It has drawn lessons from these and has decided what to do so that socialism can forge ahead and what should not be done so that not to put at stake the present and future of our people and homeland. We acted in this way at the 9th plenum of the central committee, we are doing the same at this meeting too. But like in the past, this time too, we do not imitate, we do not follow and will not follow the way to some one's liking.

As far as international relations too are concerned, our party and state, as always, should act according to the changes occurring in the world, always taking into consideration the interests of the people and socialism, of the freedom, independence and national sovereignty, the cause of peace and security.

We have dwelt at the 8th and 9th plenums on the changes that have taken place in the Soviet Union and Eastern Europe. In these countries socialism was thrown away even formally both as an ideology and practice, just like they denied everything linked with the revolution and the struggle of the working class. This is their own affair.

But the events in the Eastern countries and in the Soviet Union, which aroused a great euphoria in the East and the West, did not justify the hopes of those who took the power there and of their supporters. It was said that everything would go on well, but soon there were disillusionments and headaches.

The economic situation in Romania and Poland, in the GDR, in Hungary and Bulgaria is deteriorated. As a result of the strikes, economic and social organizations and re-organizations, the level of production has fallen below the previous level. The economic situation and the standard of living in the Soviet Union are worse than 5 years ago, when perestroyka was declared. The working masses in all the Eastern countries are worried because with the introduction of the new economic rules, imposed by the international capital, even those inherited social victories such as the guaranteed work place, housing, pension etc., are put at stake.

Political stability exists in none of the East European countries. Under the slogan of pluralism there were created various political parties, groups and associations, which are vying with each other and think of only how to win votes and take seat in the state power. Some parties in Romania demand that the arable land and that occupied by buildings be given back to the former owners. In Poland and Hungary the factories and plants, once a state property, are now in the hands of private owners. In this climate are appearing also fascist organizations whereas the nationalistic tendencies and quarrels on this basis are on the agenda. In the Soviet Union things were complicated till the use of weapons, where Armenians, Azerbaijans, Tadzhiks, and Uzbeks were killed. Whereas Lithuania, Estonia, Latvia and Georgia demand officially the secession from the Soviet Union. Recently, the old quarrels between Hungary and Romania aroused.

The events in the East have created problems in the European plane, too, because they have upset the equilibriums and affected the existing alliances. The problem of the unification of the two Germanies, which undoubtedly is a right belonging to the German nation, came to the fore. But this question has caused worries in many countries and old friendships and hostilities are occurring again.

But it is not only the German problem dominating the European stage. Of equal importance is also the problem of military blocs, of NATO and the Warsaw Treaty, the European security in general. The USA and the Soviet Union are trying to direct the events in the way they like, each taking into consideration its own interests. But now they, too, have it difficult to "put the devils in the bottle".

The situation created is completely new and characterized by a general offensive of the international bourgeoisie and the opportunist forces against the socialist and communist values, against the practice of the socialist construction and the internationalist unity of the working people. This is the most aggressive and most dangerous assault launched so far against the revolution.

It is beyond any doubt that the socialist alternative of the adjustments of the human society cannot be avoided, because as long as there are exploiters and exploited, the struggle will continue to solve this contradiction. But historical perspective is one thing and actuality is something else. And this actuality is fraught with concrete dangers and threats, with struggles to be waged and withstood today and not tomorrow.

We should consider as a whole the problem of our relations with foreign countries. Now that political equilibriums have been upset in Europe, we should think more: How to manoeuvre in the world arena to protect the interests of the homeland.

In these situations, in our relations with foreign countries, two roads might be supposed: the first road will be the closure in our shell, limited contacts, ideological, political, cultural, defence, etc. But this has not been and cannot be our line, our policy. Our party has never chosen isolation. Only those who have wished ill to Albania have tried to isolate it, just like they have resorted to the economic blockades to the same end.

The second road is that of dialogue, admission of open diplomatic struggle. But what does it mean to wage an open diplomatic struggle? It means to go and wage it there where it takes place, it means to accept also the rules of its game.

There is an opinion as if diplomatic struggle means articles in newspapers, government and public statements, in a word, propaganda struggle. This is not only a wrong opinion, but also very naive.

Diplomatic struggle means contacts, talks, agreements, compromises, refusal and approvals, guided always by the national interest and criterion.

What does our history teach us about this?

Since the movements for secession from the ottoman empire up to now the Albanians have fought on two fronts: on that of the armed struggle and on the diplomatic one.

The League of Prizren, the uprising of 1910-1912, the National Liberation War are the best examples to this. It is essential to say that in the external aspect, the Albanians managed not to place themselves on the loser's side.

The red thread pervading the whole Albanian Liberation movements is that clear and accurate definition of the national political philosophy which has not changed in all epochs, in all the turns, in all storms.

Differently from the dominant philosophies in the world, not only in the ancient times, but now too, our national ideal has been a democratic ideal, because the Albanian did not aspire to expand on foreign territories, he did not claim any sort of political, economic, or cultural expansion. The fundamental aspirations of the Albanian people has been to have a free, independent and sovereign state. They have not demanded more than this.

His political opinion on the inner life has been also democratic. This has been, perhaps, because they have been a rural people, always inclined towards equality, justice, tolerance, collectivism, mutual aid, spiritual nobility, etc., or perhaps because they have suffered from national and economic pressure for a long time. They could not create a pure and consolidated bourgeoisie which might influence them by its ideologies.

On the basis of this national ideal and democratic spirit it was made possible also the creation of a stable political unity regarding the fundamental question, that of safeguarding the independence of their country and state during all the periods of the history of modern times.

Certainly, there have also been turbulent periods, but revival has occurred on this inexhaustible inspiring base. The national criterion has been a guide in the international relations as well as a determinant factor also for the whole spiritual life of the Albanians.

The people in Albania, at crucial moments, have been evaluated not according to the class or religion they represent, not from the government hierarchy, educational level etc., but from the political stand towards independence, freedom and sovereignty of the country.

On the other hand, Albania, being a small country, could not be influential and play any determinant role in the world events, besides that deriving from its geo-strategic position. It has striven to compensate this weak point, that is little population, and small territory, lack of economic weight, through diplomatic manoeuvres, exploiting the contradictions of the enemies for the defense of its own interests.

If we would go deeper into the activity of Abdyl Frasheri, Ismail Qemali and Enver Hoxha, the power of these three great men Albania has given birth to in key moments of its history, we do not exaggerate to say that they have been masters of diplomatic tactics. Our party, which since its founding has been a resolute fighter of national freedom and independence, should unwaveringly adhere to these distinguished traditions.

Marching on this road, the new Albania has been always realistic in its foreign policy. It has conducted its international activity taking into consideration the lofty interests of the homeland and the contribution it could render to the consolidation of peace and general security.

The policy of our party and state has never been passive, or contemplative. And it could not be such. The world events have been interlaced with one another and nobody could avoid them. The problem is how to avoid the negative impact of these events and how to profit from the positive ones. Certainly, the damages as well as advantages do not come by itself and do not have a constant weight. Since they take place at a certain time and space, the effect they will have on us depends on our reaction in time and space.

Let us take, for instance, Europe and the recent events there. In this continent we belong to as we mentioned above, major transformatons are occurring, which have led, as we may say, to a total mixture of the cards. New political, economic, security and other problems have emerged, imposing also a new approach and treatment of them. We would not be dialectical in case we thought that they would be understood and coped with formulae and means of the hitherto struggle. It is important to preserve the principles and be guided by them. But even in this question we should distinguish well what is essential and what is not fundamental, what is primary and what is secondary, what is eternal and what is temporary. What we should pay attention to is that tactical actions should not be considered as strategic, or the opposite.

Since the beginning Albania has been against division of Europe into blocs, against the zones of influence, against the limitation of the sovereignty of its nations. We have opposed all those policies, which, in our opinion, stir up and heighten the tensions and conflicts on this continent, all those measures and actions that, directly or indirectly, violate the freedom and independence of the Eurpean countries, the right to self-determination.

Our viewpoint has been that European security could not be achieved through the armaments race, through opposition to the military blocs, political discrimination and ideological diversion, various blockades and the endless arsenal of the cold war.

We have desired and desire that the European countries solve the conflicts and tensions not by means of force and threats to use it, but through dialogue, common sense and understanding, in equality and mutual respect, to establish a genuinely peaceful coexistence.

At present, efforts are being made in Europe to find ways and manners how to ease tension. This has to do with the situations created, but it is in conformity with our goals as well. At the 9th plenum we drew the conclusion that in these circumstances, we should take into consideration some initiatived, which have already been undertaken, amongst them even those on mulitlateral meeting. Hence Albanians' commitment in the process of European cooperation and security and its participation in the meetings arranged for this purpose responds to the time and to our interests. This would be another testimony not only to Albanian's concern for the security of our continen, but also to its willingness to render its contribution to its consolidation.

In the context of implementing the decisions of the 9th plenum, our state organs should operate also in the direction of the European Commmon Market. In Western Europe, a community of states has been created, which are unifying not only the economy, but also many sectors of the internal and foreign policy. Now European Community represents a worldwide known reality. The establishment of diplomatic ties and contacts with it will serve our economic and political interests, just like the

intensification of cooperation separately with the members of this community, which is already transformed into a useful practice, also serves it.

Although of another very complex character, taking into consideration the developments that have occurred, the problem of the re-establishment of the diplomatic relations with United States of America and the Soviet Union is on the agenda. I want to emphasize that Albania has never had a phobia towards the big. What albania has not endured and does not accept are the aims to impose on her policies with run counter to its freedom and independence, to its will.

As it is known, after the liberation of the country, the Albanian Government made numerous efforts to establish friendly links with the USA, links which had existed prior to war and were cemented in its course. Unfortunately, the United States, with the country's liberation, conditioned the recognition of the new Albanian Government by the change of the social system that emerged from our people's revolution. For a long time it opposed Albania's admission to the UNO and did their utmost to isolate it on the international arena. These actions, not to mention others, created a wide gap between the two countries which is still open even today.

The same with the Soviet Union, that severed onesidedly the diplomatic relations with Albania, as well as the economic and other relation with it. The main cause was because Albania did not accept its hegemony, because it did not agree to become a mere executer of its foreign policy, because it did not agree to behave in conformity with and to submit to its demands. The severing of the political and economic relations, expanding the ideological disagreements on the relations between states as well was a revenge intending to damage the PSR of Albanian.

As for the establishment of the relations with the other state, we have not imposed political terms, either have we accepted them. The only thing we have demanded, and which is a legitimate question, has been to accept Albania as it is. We too have accepted and accept the others as they are. To chose the social system is a sovereign question of each people and no one has the ritht to poke one's nose in it.

If now the United States of America and the Soviet Union, as they say, will change indeed their stand towards Albania, we have no reason why not to welcome this. We have neither wanted, nor do we want to be in hostility with someone. On the contrary, as we have also emphasized at the 9th plenum, we meet friendship with friendship, just like we do not make any step backwards when others behave with us with arrogance, underestimation and prepotence. The relations among states are normal and fruitful when the basic principles of equality, non-interference, respect for freedom, independence ans sovereignty of each other, of mutually beneficial cooperation are observed. This is worth for England as well, which, althought so many things have changed in Europe, persistenly continues to maintain the outdated mentality of the 40's, and has frozen the Albanian monetary gold. It is high time for it to give up this polistion.

We have wanted and want friendly relation with all the countries, irrespective of their social sysem.

We devote particular attention to the relations with the neighbours. In this context, we have wanted and wish to have good relations with Yugoslavia, since we are neighbours and as such have many common interests. Neither we nor they can leave the Balkans, where the Albanians and the southern Slavs have been living for centuries History has forced us to coexistence. But how to coexist? The Albanians, on this and that side of the border have shown that they wish to live as friends and not as enemies. The quarrels, conflicts have brought no good to any party.

Unfortunately, the Yugoslavs have responded with tightened fist to the friendly hand stretched by the Albanians. Belgrade has followed an anti-Albanian policy, inspired by archaic concepts and ideologies, by their nostalgy of feudal romanticism and emperor's euphoria.

This policy has led to a bitter conflict with the Albanians of Kosovo and to a national Pan-Yugoslav crisis. An outcome of this policy is also the abnormal situation of the Albanian-Yugoslav relations.

But this policy has failed. It has failed as the time has gone when the inner crises are solved by means of violence or by arousing artificial conflicts with the neighbours.

The problem of Kosovo, just as the other problems of Yugoslavia, stems from the collosion between the demands for freedom, democracy, and progress, on one side, and the efforts for domination, arbitrariness, oppression, and violence on the other side.

This demarcation line is now permeating the whole of Yugoslavia. The leaders of Serbia stand on one side and the peoples of Yugoslavia on the other, who from what we read and hear, are being convinced more and more that the problems of Kosovo and Yugoslavia might be solved only through democratic way, through dialogue, equality, and respect for the rights and interests of all the parties.

Time has come that those in Belgrade, too, should understand that problems cannot be solved by means of violence and stripping Kosovo of its autonomy. The people of Kosovo have now elected their representatives, gathered in democratic alternatives, with which one might talk and solve the problems, but, of course, in equality, openly, without prejudices, and through understanding.

As far as the People's Socialist Republic of Albania is concerned, as it has frequently stated, it is ready to negotiate with Yugoslavia on the full normalization of the relations between the two countries, as well as about

other problems that might concern the two parties, proceeding from the interests of good neighbourliness, security in the region, and peace in general.

Our country devotes great attention to the process of cooperation among the Balkan states, serving not only to ensure peace on our peninsula, but more widely. The meeting of the foreign ministers of the Balkan states will be held in Tirana this year. We will do our best that this meeting be a success and mark a turning point in the strengthening of the good neighborliness and fraternal relations among our countries.

The decisions of this plenum are of great importance for the present and future of our country. Just as in our meeting, they will certainly be unanimously supported by all the people and our glorious party. Let us exert all our efforts, sparing nothing, to make our homeland stronger and the people's life happier, to carry aloft the banner of Marxism-Leninism and socialism in the free and independent Albania.

Foreign Minister Dimitrov Visits Vienna

Holds News Conference

AU1904173190 Vienna Domestic Service in German 1600 GMT 19 Apr 90

[Report by Helmut Opletal on news conference by Foreign Minister Boyko Dimitrov in Vienna on 19 April—passages within quotation marks are recorded; Dimitrov statements in English with superimposed German translation]

[Text] Bulgaria wants to remain a member of the Warsaw Pact until a new European security order replaces the current pact alliances. At the roundtable in Sofia, the Bulgarian opposition also agreed with this attitude, says Foreign Minister Boyko Dimitrov, who is counted among the reform wing of the Communist Party. Nevertheless, Dimitrov fears a disintegration of the Warsaw Pact before a new security system, which transcends the blocs, is established.

[Dimitrov] "In case a situation could emerge where the Warsaw Pact disintegrates as a multilateral structure before there is a new all-European system—which we would consider destabilizing—Bulgaria would have to rely on the already existing guarantees that it can find in its bilateral security arrangements with the Soviet Union."

The Bulgarian foreign minister was asked whether differences of opinion within the Warsaw Pact are now blocking progress toward new all-European security agreements. Dimitrov prefers to speak of different interests, which today make a uniform standpoint in the Eastern defense alliance more difficult.

[Dimitrov] "I think the emergence of a more pluralistic and democratic manner of discussion within the Warsaw Pact, the emergence of different positions and attitudes as a result of the internal changes, do not necessarily mean that there are conflicts, but now the individual states are pursuing their own national interests in a much freer and more individual way. In that sense, the collective instruments of the Warsaw Pact cannot serve as a vehicle for coordination and elaboration of joint positions."

In conclusion, Boyko Dimitrov discusses the situation of the Turkish ethnic group in Bulgaria. In the future democracy, this question will also be solved, he says, but Sofia does not want to negotiate with Turkey. And then there came a remarkable admission:

[Dimitrov] "In the past, grave and serious injustices have been committed with regard to the ethnic Turks in Bulgaria. The current government and all other political forces are willing to correct this and want to guarantee the same rights to all Bulgarian citizens."

Speaks at CFE Talks

AU2004073790 Sofia BTA in English 2034 GMT 19 Apr 90

[Text] Vienna, April 19 (BTA)—Mr. Boyko Dimitrov, minister of foreign affairs of Bulgaria, addressed a plenary session of the Conventional Forces in Europe (CFE) Talks here today.

Bulgaria, which is an integral part of Europe, shares in the establishment of a new all-embracing system of European security and cooperation, Mr. Dimitrov said. He warned that if the conventional disarmament treaty in preparation allows a relocation of troops to the Balkans, which Bulgaria sees as overarmed even at this stage, the principal idea of the treaty—the reduction of armed forces, may be brought to nought. Such a development may affect adversely the fragile process of inter-Balkan warming. Mr. Boyko Dimitrov stressed that for this reason Bulgaria insists on the setting of force ceilings not just for Central Europe but for NATO's southern flank as well.

Later in the day the Bulgarian foreign minister gave a news conference at the Hofburg Palace.

Asked about the connection between the future development of Bulgaro-Turkish relations and the settlement of the ethnic problem in Bulgaria, the minister said that as a matter of principle these questions should not be linked with foreign relations. They can be adequately solved by respecting the human rights and democratic freedoms of all Bulgarian citizens.

Commentator Views USSR Reaction to Lithuania

AU2004122290 Sofia BTA in English 1739 GMT 17 Apr 90

["A Sigh of Relief"—BTA Headline]

[Text] Sofia, April 17 (BTA commentary by Metodi Krustev)—It is certain that the news that came late last night of the Lithuanian leadership's readiness to immediately open a discussion on the conflict between Moscow and Vilnius with President Gorbachev—a conflict which is nearing its culmination—called forth a sigh of relief both within the borders of the multinational Soviet state and in all diections outside it.

The reason for coming to this categorical conclusion is the awareness of the possible consequences, had the actions envisaged by the two sides been really carried out. This would have meant to crush only within few hours the tender germs of the hope that at last mankind has a chance to live unburdened by the enmity complex. How real this threat is one can see by comparing the centrifugal processes taking place in the Soviet Union and Federal Yugoslavia. Nobody in the world would say that the centripetal efforts to cut short the trends in Yugoslavia are posing a threat to the warming up of international relations—an improvement achieved by a

lot of effort in the last five years that have elapsed since the priority of the principle of universal human values was acknowledged.

After so many years of ideological hatred on the basis of which each side created the enemy-image of the other side in its own way, it happened that precisely at the time when ideological prejudices are being overcome, the changing socialism resorted to economic blockade, which was considered to be "a patent of imperialism". Maybe in "the case of Lithuania" for the first time a shadow of doubt crept in people's minds making them suspect that the spirit of the party administrator who ignores the principle and the priority of human values has been awoken. Moscow's latest actions increased these suspicions. This became the most clear from the statement made by the American side that the escalation of Moscow's position-of-force actions against Lithuania may have an unfavorable effect on Soviet-Amercian relations and on the future of the agreement on stratetic weapons. Raising the question of the evil spirit of the party administrator, it would be more precise to say that it is characteristic rather of the conservative forces within the leadership of the Communist Party and hence of the state than of Gorbachev personally. Because, knowing Mikhail Gorbachev's style, there are grounds to believe that his actions mirror an outbreak of party conservatism observed of late in the Soviet Union rather than his personal conviction that ultimatums are the best way to settle the conflict with Lithuania. The fact that although declared, the economic blockade was not actually imposed is an argument substantiating this conclusion. This fact made Ms. Margaret Tutweiler, spokesman for the U.S. Department of State, hail this morning the Soviet abstention. It seems that in this already dangerous situation we witness Gorbachev's mastery to reveal his extraordinary sense of balance at difficult moments.

When the question is about the priority of universal human values acknowledged by Gorbachev as a guiding principle in state-to-state, political and ideological relations, if there are grounds for making claims upon him to unflinchingly adherence to this principle, there are also reasons to apply the same criterion with regard to Vilnius. The right of independence and self-determination is one of the components of the philosophical complex of human values and Lithuania's rights in this respect are undisputable. But haste with which these rights were exercised appears to be not in compliance with the philosophy of human values.

Lithuania's readiness for a dialogue and Moscow's abstention to procede with the implementation of the ultimatum for economic blockade suggest that both sides understand the uselessness of blind nationalism and fist-law centrism. Moscow is expected to respond to the readiness of Vilnius for immediate talks without any more preliminary conditions, which would make the sigh of relief real.

Realistic Approach Toward Lithuanian Issue Urged

AU1904114290 Sofia DUMA in Bulgarian 18 Apr 90 p 1

[Valeri Naydenov commentaru]

[Text] We should neither be surprised by the fact that we saw the first anti-Soviet demonstration in Bulgaria related to the situation in Lithuania, nor that it stirred up the people's wrath in a primitive manner.

This much is easy. What is much more difficult is to try and recall the simple truths of our existence and remember who we are and on whom we can rely.

Our oldest and indeed only friend is experiencing very difficult days. He is facing the precipice of contradictions. A fire could erupt in his house at any moment, and we could find ourselves among its smallest embers.

Even our friend's former enemies fear this fire. Today they are behaving like gentlemen, not only because they are strong but also because they are prudent and have correct manners.

We are not used to real politics. Our consciousness has been ideologized, and consequently we have become used to decisively disassociating ourselves from certain issues, and to denouncing and condemning various matters. However, now the issue in question is related to our own existence.

Regardless of how little a part of our students like Moscow, we cannot do without it. We cannot do without the friendship, culture, raw materials, and security that it gives us, Europe, and the Balkan peninsula, where Balkan passions are aflame again.

Today a part of our student youth are looking toward the United States and turning their backs on Moscow. I understand them to a certain degree. After all I myself completed my high school studies in the United States, and I love that country, its national character, democratic culture, and all the things that we have yet to learn. How unfortunate it is that we are in the last place on its list of political priorities in the Balkan peninsula. Alas, the Americans do not care very much for us. This is regrettable, but unfortunately, a fact.

Sincerely or not, it is only the Russian people that we can call fraternal. Let us not offend them now when they are in trouble, so that we would not have to remember the proverb about biting the hand that feeds you....

Finance Minister Outlines Budgetary Aims

AU2004102090 Sofia DUMA in Bulgarian 18 Apr 90 p 4

[Article by Belcho Belchev, deputy chairman of the Council of Ministers and minister of finance: "The Budget Will Count on Lower, but More Effective Taxes"]

[Text] The main decision on the contents and goals of the economic reform has already been made. The aim is to create a market economy which should be characterized to a large extent by its social and democratic components. The central issue of the reform is to develop the economic potential of the different kinds of ownership and forms of management. At the same time, the nature of the medium in which these processes will develop is of exceptional importance, and this is determined to no small extent by the budget policy.

The first steps of the new budget policy are aimed at stabilizing budget expenditure and bringing the growth of this expenditure into line with our real economic possibilities. Of course, this goal is not achieved by cutting expenditure indiscriminately. In the budget for 1990 that was adopted by the National Assembly the cuts are made bearing social needs in mind, and conditions are created for alleviating as much as possible the social consequences of the economic crisis.

In reducing budget expenditures, the accent is placed first and foremost on subsidizing material production, financing investments, funds for administration, and expenditures not connected with meeting society's social and intellectual needs.

A considerable saving in budget funds—about 1.6 billion leva, is expected to be obtained from cuts in subsidies for material production. This reduction in expenditures is based on a package of measures to raise production efficiency, restrict the redistribution processes, and liberalize price-setting. At the same time, active work is in progress on a complete technical-economic and socio-economic assessment of the condition and prospects of loss- making and unprofitable companies, as well as of those which produce low-quality and unwanted goods.

We have postponed or stopped the budget financing projects which in the near future will play no important role in bringing the country out of the economic crisis or in resolving social tasks. In 1990 budget expenditures on financing capital investments will be about 700 million leva less than last year.

Management costs are being reduced by sharp cuts in the administrative apparatus. We are stopping the financing of political and public organizations, activities of a representative or prestige nature, such as meetings with the diplomatic corps, the construction of unnecessarily expensive squares, administrative buildings, and so on.

The cuts made in budget expenditures have achieved a substantial saving in funds, which in comparable terms amounts to about 2.8 billion leva.

At the same time, a considerable proportion of our economic resources are being directed to solving certain pressing problems in the social and intellectual spheres. The salaries of teachers and health service workers have been substantially improved. Minimum pensions have also been raised. Funds have been provided not only for the maintenance, but also for a certain expansion of schools, hospitals, clinics, and social services institutions. Reserves have also been provided to compensate for the social consequences of the economy's transition to market principles of management.

Despite the difficulties and the unusual conditions in which the 1990 budget was drafted and adopted, it implements the first steps toward improving and rationalizing the system of budget expenditure.

The reform of the budget system also plays a crucial role in the country's financial recovery with regard to the forms and means of centralizing money resources in the state budget. In this respect, the accent is placed on creating a modern and effective taxation system.

In recent years the need to provide funds for ever increasing expenditures, as well as the arbitrary reforms continuously carried out in the system of economic management, led to an extreme curtailment of the tax system's stimulating role and to taxes becoming a burden for very many economic units. In practice, the tax system was set up not so much in order to implement an active finance policy as to compensate for the negative results of the unsuccessful solution of various issues of economic policy. In this way, the declared principles of taxation policy often remained in name only.

The package of economic reform documents envisages measures to raise the efficiency of the taxation system. Taxes on profits are being reduced this very year, through substantial cuts in the taxes on profits in agriculture, trade, tourism, and other areas. At the same time, the incentive functions of taxation are being increased, by granting a number of tax allowances for the production of goods for the domestic market and for export, as well as for the restructuring and technological renewal of production.

The relevant draft laws on taxation policy issues are now in the course of preparation.

The new taxation system will be constructed on uniform principles and in accordance with the forms of management and utilization of income that have been created. The main requirement is to ensure an equal tax burden, irrespective of the forms of ownership and sphere of activity, by reducing the level of taxation on profits.

One important element of the new taxation policy is the introduction of progressive taxation of citizens' personal incomes, taking into account the taxpayer's family circumstances. It is planned to reduce the tax burden on low incomes and leave the burden on average incomes unchanged. The taxation of high incomes will be perceptibly increased, without, however, reducing the incentive for lawfully increasing incomes.

The implementation of a radical tax reform will also be accompanied by effective measures for improving taxation discipline. We are in the process of drawing up a modern system of tax control, which will replace the existing system of financial control. The creation of a

strong and relatively independent system of financial and tax control will enable us to put the country's financial management into good order. This control will guarantee the interests not only of the state, but also of the companies and citizens.

The budget policy will be aimed at ensuring the country's rapid financial recovery and at gradually creating conditions for economic and social prosperity. The prerequisites for this are contained in the agreement of public opinion and the political forces to the radical economic reforms, the reserves of economic potential in the country, and the international support for the processes of democratization in Bulgaria.

Lukanov Receives Albanian Planning Chairman

AU1904161390 Sofia BTA in English 1426 GMT 19 Apr 90

["Bulgaro-Albanian Cooperation Talks"—BTA headline]

[Text] Sofia, April 19 (BTA)—Bulgaro-Albanian economic relations were discussed today by Mr. Andrey Lukanov, prime minister of Bulgaria, and Mr. Niko Gjyzari, chairman of Albania's state Planning Commission.

After an exchange of information about the work of the second session of the Inter-Governmental Commission for Economic, Industrial and Technological Cooperation currently sitting in Sofia, the two discussed some specific issues of cooperation prospects. Mr. Gjyzari and Mr. Lukanov recommended an intensification of the talks on the signing of the agreements on projects of mutual interest.

The sides also conversed about the socioeconomic development of Bulgaria and Albania.

Economic Cooperation Talks Begin

AU1904191090 Sofia BTA in English 1747 GMT 19 Apr 90

[Text] Sofia, April 19 (BTA)—Forty joint economic activity projects are on the agenda of the session which the Intergovernmental Bulgaro-Albanian Commission for Economic, Industrial and Technical Cooperation opened here today.

The co-chairmen of the commission Mrs. Ekaterina Marinova, Bulgaria's minister of trade and services, and Mr. Niko Gjyzari, chairman of Albania's State Planning Commission, said they were optimistic about the future of mutually advantageous business contacts.

Bilateral ties have been recently invigorated with the signing of agreements on air service and health-care cooperation, of a veterinary and sanitary convention and other documents. Two-way trade is on the increase, too.

BNRP Denounces UDF Behavior During Easter

AU1904162390 Sofia DUMA in Bulgarian 18 Apr p 2

[Letter from Dr. Ivan Georgiev, chairman of the Bulgarian National Radical Party, to DUMA's Editorial Board; place and date not given: "They Disgrace Bulgaria"]

[Text] The Bulgarian National Radical Party [BNRP] expresses indignation at the activities of Union of Democratic Forces [UDF] supporters, who behaved arrogantly in the square in front of the St. Aleksandur Nevski Memorial Cathedral and in Sofia's streets, thus ignoring the appeal of the Holy Synod and the cathedral's management to stop all political demonstrations during Easter. Having debased our national holiday—3 March—the UDF has now most cynically defiled the holiest Christian holiday, thus casting a shadow over the happiness of the people, disrupting services in churches, and evoking fear and insecurity among the people. Do the UDF supporters know that they have thus compromised Bulgaria and ridiculed the Bulgarian people in the eyes of the Christian world?

It has been an ancient custom to stop all military activities and postpone quarrels and political struggles during Easter while enemies exchange pleasantries.

The BNRP thinks that the Bulgarian society must finally understand the seriousness of where people like this could lead us—people for whom nothing is sacred, who cannot hide their hatred even on the holiest of days, and who have no respect for the population on whose behalf they so bombastically speak.

Muslim Rights Leader Calls Off Hunger Strikes

AU2004074090 Sofia BTA in English 2039 GMT 19 Apr 90

[Text] Sofia, April 18 (BTA)—The Rights and Freedoms Movement called off the national concord rallies it planned to hold in Sofia in three days' time.

Mr. Akhmed Dogan, president of the movement, said on national television this evening that the decision was taken after he conferred with President of the Republic Mr. Petur Mladenov and with leaders of public and political forces.

Mr. Dogan said there were "numerous tip-offs" about provocations prepared against the movement by "forces which oppose the democratic forces in Bulgaria, seek to aggravate the situation in the run-up to the elections, want to discredit the Rights and Freedoms Movement and to destabilize the relations between the ethnic communities."

The relay hunger strikes of Bulgarian Muslims are being called off, Mr. Dogan said.

Prison Strikes Continue, Spread to Other Prisons

Pazardzhik Prison

AU1904132290 Sofia Domestic Service in Bulgarian 1300 GMT 19 Apr 90

[Text] Some 75 prisoners from the Pazardzhik prison have announced a strike. They have refused to appear for work at the welding and steel casting shops, and remained in their cells. This is what our reporter Taras Angelov told us:

[Begin Angelov recording] Some 565 prisoners are serving their sentences at Pazardzhik prison, 142 of them for crimes against persons, 55 for murder, 64 for rape, and the rest for crimes against personal and state property and other crimes.

The strikers have addressed a written petition to the president of the republic, the Chief Prosecutor's Office, the Committee on Human Rights, the chairman of the Coordination Council of the Union of Democratic Forces, and almost all mass media. They demand a total and unconditional amnesty and protest against incorrectly conducted and protracted investigations. For the time being there are no special claims toward the prison management, except for the main one—to organize an immediate meeting with representatives of the institutions to which the petition is addressed. Otherwise, the prisoners threaten to intensify their actions.

The prison management has notified the appropriate authorities and preparing a meeting with journalists. [end recording]

Sofia Prisoners Remain on Strike

AU1904115390 Sofia BTA in English 1024 GMT 19 Apr 90

["Prisoners Strike Continues"—BTA headline]

[Text] Sofia, April 19 (BTA)—All papers write about the strike at the Central Prison in Sofia which has been going on for four days now. About one hundred people are on the roof of the prison without any food. On Tuesday an agreement was reached between representatives of the strikers and the joint public and state commission that includes the deputy minister of justice, the deputy prosecutor general, the deputy head of the Central Investigating Department and representatives of the Union of Democratic Forces (SDS). Despite the agreement in which it is promised that the prisoners will not be maltreated, the strike on the roof is going on. The prisoners insist on contacts with the president of the republic—the only one they consider to be able to respond to their demands with concrete action. Angel Dzhambazov, deputy minister of justice, assured them that on Monday at the latest he will advise them if the president and the prime minister will visit the prison.

The strikers demand an amnesty of pardon with the proviso that if any of the amnestied perpetrates a new crime he will serve the whole term of his sentence. Protests are made against detaining those under investigation for more than six months—the time limit prescribed by law. A representative of the Central Investigating Department promised that by Friday April 20, all similar cases will be studied and those detained after the expiration of the specified time limit will be released on bail.

The prisoners told DEMOKRATSIYA representatives that during the investigation procedures the detained are tortured and beaten when sent to prison.

DUMA announces that Georgi Zarkov and Yanko Balinov—the two prisoners who tried to burn themselves on Monday, are in good condition of health. According to Emil Madzharov, senior psychologist at the Central Department of Imprisonment Establishments, about 30 per cent of the strikers on the roof are suffering from character and mental disorders and that there is one epileptic among them. He said they took advantage of the social situation to excuse their crimes and free themselves from guilt. According to Emil Madzharov their demands are ungrounded.

The Independent Human Rights Society also gave guarantees that the strikers would not be repressed if they go back to their cells. Its chairman Rumen Vodenicharov announced that an eminent lawyer is expected to come from New York with whom they will visit the prisons in the country.

The papers inform about strikes at the prisons in Plovdiv and Varna. On the night of April 18 about 15 people serving their sentences in the Varna prison made it to the roof and declared they would not come down until a meeting with representatives of the SDS is arranged for them. The strike was called off early today.

Twenty-three-year-old Milen Charaksuzov burnt himself on the roof of the prison in Plovdiv. According to the physicians 65 per cent of his skin was burnt and his life is in danger. The psychologist of the prison says that the man suffers from cyclophrenia and that he has tried to kill himself twice before. The strikers in Plovdiv insist on a meeting with representatives of the SDS, the television and the press of the opposition which should be arranged today by noon.

More on Prisoner Strikes

AU1904184590 Sofia Domestic Service in Bulgarian 1730 GMT 19 Apr 90

[Excerpts] The strike at Sofia prison continues. The Ministry of Internal Affairs and the Chief Prosecutor's Office have been informed about the incident, and their representatives visited the prison. In talks with them, several of the almost 90 demonstrating prisoners put forward their demands. They demand that immediate reviews of their cases be conducted, that prisoners not be maltreated, and that living conditions be improved.

Most of the demonstrators have more than one conviction, and some of them demand an immediate amnesty or pardon.

The parties to the negotiations signed a joint declaration on setting up a commission to review the prisoners' cases, without inflicting any punishments on those guilty of breaches of internal discipline in the past few days.

The prison officials agree that conditions for serving sentences must be improved without delay. Despite this, the prisoners remained on the roofs of the prison, and the situation continues to escalate.

Today the number of protesters on the roof of Plovdiv Prison increased by about 40. Representatives of the Committee for Defense of Human Rights and the Club of Victims of Post-1945 Repressions joined them as voluntary hostages, as guarantors against any possible repressive measures against the striking inmates.

Some 75 inmates of Pazardzhik Prison have declared a strike and refused to show up for work in the welding, iron-casting, and footwear production shops. [passage omitted]

The inmates of Bobov Dol Prison have also joined the striking prisoners of the Sofia and Pazardzhik Prisons. At precisely 1645 [1345 GMT], 20 prisoners climbed onto the roofs of two of the prison buildings and raised banners bearing the slogans: We want democracy; We want a meeting with the UDF [Union of Democratic Forces]; etc.

The prison administration held a meeting with the striking prisoners. At the moment the latter have no demands to present to the administration.

In Vratsa, 18 prisoners on the prison's roof demanded a meeting with UDF leaders. [passage omitted]

Prison System Chief Comments

AU2004073690 Sofia BTA in English 2029 GMT 19 Apr 90

["Prison Strike Wave Surges"—BTA headline]

[Text] Sofia, April 19 (BTA)—Bulgaria's prison population has dropped from 17,000 to 7,000 after several amnesties over the last three years.

Prisoners serving sentences now are mostly repeaters with at least three convictions for serious crimes.

Part of them have gone on strike, preemptorily demanding full amnesty, a release of remanded prisoners awaiting trial for over six months, release on bail of defendants, etc.

After the strike declared by inmates of the central prison in Sofia, prisoners in Pazardzhik and Vratsa today followed suit. The prison strikes in Varna, Plovdiv and Stara Zagora have been going on for several days.

The strikers have occupied the rooftops of cell blocks and raise slogans, chant demands and want negotiations with the president, the prime minister and representatives of the opposition.

The inmate who set himself on fire at the prison in Plovdiv is now out of danger. He has been sentenced for attempted rape of his mother, Bulgarian Television reported.

Mr. Zdravko Traykov, chief of the Prison Service, said he was convinced that the penitentiary system must be liberalized. Such a reform is in preparation.

Mr. Traykov went on national television to say that over 2,000 crimes had been recorded during the first quarter and that 70 per cent of the perpetrators were repeat offenders. Thirty per cent more homicides, 45 per cent more rapes and 38 per cent more burglaries have been committed in comparison with the like period last year.

"The conclusions are self-evident," Mr. Traykov said.

Mr. Traykov said that part of the prison guards, who have been on duty for a fifth day now and are at the end of their tether, will be replaced by Interior Ministry troops.

The negotiations with the inmates will continue and it is hoped that the dispute will be peacefully settled, Mr. Traykov promised. He said the new management of the penitentiary system upholds the agreements reached between the ad hoc public-cum-state commission and prisoners on a review of investigative proceedings, on a revocation of unwarranted sentences and on an improvement of prison conditions.

Sale of GDR Marks Suspended Pending Agreement

AU1904140790 Sofia TRUD in Bulgarian 18 Apr 90 p 2

[Text] On 9 April, the Bulgarian People's Bank stopped the sale of GDR marks to people who intend to travel privately to the GDR. The reason: the GDR's demand that the exchange rate of the mark against the leva. This matter is within the competence of the two countries' Ministries of Finance. Do not plan on obtaining any GDR currency until an agreement is signed. We have been told this by Nikolay Vakarelski, director of "Foreign Currency Exchange" Department of the Bulgarian National Bank.

'Podkrepa' Trade Union To Join General Agreement

AU1904123390 Sofia TRUD in Bulgarian 18 Apr 90 p 1

[Unattributed report: "'Podkrepa' Labor Federation Will Join General Agreement"]

[Text] By the end of April, the General Agreement between the government on the one hand, and the

Confederation of Independent Trade Unions in Bulgaria and the Union of Economic Managers on the other, will obtain new proof of its vitality. On 17 April Nikola Kostov, chief secretary of the "Podkrepa" Confederation of Labor told a TRUD reporter that his confederation has agreed in principle to join the agreement, while reserving the right to disagree with some of its clauses. At present the leadership of "Podkrepa" is preparing its objections to the text of the agreement, which has already been approved by the other three partners. According to one of the clauses, after signing the collective labor agreements the supporters of "Podkrepa" will relinquish the right to initiate strikes in enterprises in which they represent less than 50 percent of the workers. Oleg Chulev, vice president of the "Podkrepa" Federation of Labor, said that he and his colleagues are carefully observing the implementation of the General Agreement. They are prepared to begin talks soon, first with representatives of the Confederation of Independent Trade Unions in Bulgaria, and afterward, with the other two sides of the unique document.

Two New Weekly Newspapers Published

AU1904130790 Sofia TRUD in Bulgarian 18 Apr 90 p 2

[Text] Varna, 17 Apr (TRUD correspondent Khristo Dobrev)—KHRISTIYANSKA PROSVETA, the weekly organ of the Varna and Preslav Diocese, is the latest newspaper to be published in Varna. In his address to readers, Metropolitan Kiril says that "it is high time that we pay more attention to ourselves and the education of the people on the basis of the Christian and universal values, as well as to building a really democratic and civilized society on the same basis."

The appearance of the NARODNO DELO oblast daily in Varna has already been stopped. Its newsprint has been equally divided by two new weeklies: VARNENSKA DUMA, published by the Bulgarian Socialist Party, and EPOKHA, published by the Union of Democratic Forces. The first issues will appear next week.

Further on Federal Assembly Session 19 Apr

Passes Income Tax Amendments

LD1904130490 Prague CTK in English 1040 GMT 19 Apr 90

[Text] Prague April 19 (CTK)—The 27th joint session of the House of Nations and the House of the People of the Czechoslovak Federal Assembly passed here today amendments to the law on the income tax which provides for taxing of private entrepreneurs.

Late last night, the parliament passed a law on private enterprise.

This year, mass organizations and their enterprises and economic establishments will be exempted from taxation. Taxes should start to be imposed on January 1, 1991.

The exemption from taxation does not apply to political parties and movements and their enterprises and economic establishments.

Approves Purchase Tax Amendment

LD1904131190 Prague CTK in English 1102 GMT 19 Apr 90

[Text] Prague April 19 (CTK)—The Czechoslovak Federal Assembly of the House of the People and House of Nations approved the amendment to the law on purchase-tax.

An important impulse for the amendment to the law on purchase-tax is the appearance of new types of entrepreneurial subjects and legal adjustments of individual enterprise.

The adjustments derive especially from the fact that for individual enterprise conditions have to be fixed which basically correspond to the other subjects. [sentence as received] It is equally necessary to create an efficient administrative system from the private entrepreneur's point of view.

The law amendment is also a reaction to the possible rise of foreign subjects on the Czechoslovak market. So purchase prices of goods sold in Czechoslovakia for foreign currency will also be considered taxable.

Approves Foreign Exchange Law Amendment

LD1904221490 Prague CTK in English 1303 GMT 19 Apr 90

[Text] Prague April 19 (CTK)—The equalization of all subjects in the foreign-exchange sphere is the main principle of the amendment of the foreign-exchange law which was approved by deputies of the Czechoslovak Parliament here today.

According to the amendment all subjects in the foreign-exchange sphere will have the same conditions for their activity and for realizing results in this activity. This means that, just as organizations, so individual enterpreneurs will be obliged to offer thirty per cent of foreign-exchange earnings to the bank. They will obtain Czechoslovak currency for this sum. In this way the transfer will be secured of foreign-exchange earnings from individual enterpreneural activity to central foreign-exchange sources, while at the same time, entrepreneurs will be able to keep the remaining sum of foreign-exchange for their own entrepreneurial activity.

Individual subjects in the foreign-exchange sphere will also be placed on the same level in making use of the right to return purchase of foreign-exchange banks and in entering money obligations with foreign partners.

The amendment also cancels the transfer of ownership right to property from a Czechoslovak owning foreign currency to a foreigner. However the Czechoslovak Government can make an exception in this case.

The law also states that Czechoslovak citizens are obliged to bring back Czechoslovak currency they can take abroad. So far import obligations were not codified by law, therefore there was an outflow of Czechoslovak currency abroad.

Amendments of the laws on social security and health insurance were passed here today by the Federal Assembly deputies with several comments.

The proposed amendments solve urgent questions in connection with private enterprise, mainly health insurance and pensions of entrepreneurs. The changes provide for a consistent transition to a system of private entrepreneurs' insurance and for levelling differences between the existing insurance of private entrepreneurs and the other citizens.

Passes State Enterprise Bill

LD1904222390 Prague CTK in English 2042 GMT 19 Apr 90

[Text] Prague, April 19 (CTK)—The House of the People and the House of Nations of the Czechoslovak Federal Assembly approved after a long discussion a bill on state enterprises at their joint session here today.

The floor was taken by Czechoslovak Deputy Premier Jan Carnogursky who stressed that the law on state enterprises is the most significant tool for the stabilization of the situation in enterprises. According to him the government considers the law to be the most important one among all bills discussed at present. The discussion has shown that the core of the problem is whether the main role in the management of an enterprise should be played by the autonomy of the employees or by the state, he said. The Czechoslovak Confederation of Trade Unons has been against the adoption of the bill and said that the trade unions had been unable to discuss it. The Confederation has also pointed out some shortcomings of the bill. The current dynamic development in the economic sphere and the need for restructuring Czechoslovakia's economy require a qualitative change in the

concept of state enterprises as well. The 1988 bill on state enterprises corresponded with the then concept of the so-called restructuring of national economy but is inconvenient in the conditions of the multi-sector market economy today.

Komarek on State Enterprise Law

LD1904155590 Prague Domestic Service in Czech 1230 GMT 19 Apr 90

[Text] [Announcer] Lubos Lidicky, Czechoslovak Radio's legislative correspondent, has a report on the second day of the 27th joint meeting of the Chamber of the People and the Chamber of Nations:

[Lidicky] The deputies are currently debating one of the principal bills, the bill on state enterprise. In view of the conditions prevailing at present it has proven to be necessary not to amend the existing law but to adopt a new one. The bill was subjected to a thorough examination at the committee stage, and, during the preceding interval, some caucuses of political parties and movements have met to clarify the remaining contentious points. Concern has been expressed lest the bill on state enterprise become a hindrance to the proceedings today, which have been smooth so far.

The opening words of Valtr Komarek, deputy federal prime minister, have also helped to bring clarity to the whole issue. I believe that his speech was not only important but also brilliant, and this is why I am offering recorded highlights of it:

[Begin Komarek recording] When the government was formulating its program, which it submitted to the Federal Assembly, it was clear that certain conclusions were arising from it for the work on the law or rather on the new law on state enterprise. The government in its program defined the basic line for the transition to a market economy. It stressed the need to decentralize and demonopolize Czechoslovak enterprises and to switch from the hitherto bureaucratically and administratively managed enterprises to economic management, to an economic base. It outlined ways to dismantle in the future state controls and to commercialize state enterprises and gradual privatization.

This provided some objective requirements for shaping and amending the Law on State Enterprise where the government no longer had any choice and did not have an endless number of variants. It is necessary, therefore, to understand that the character of the bill on state enterprise, as it has been submitted, has been given by these reformist intentions, which have received support from the Federal Assembly. It is therefore given by their logic, and it is thereby difficult to require any other logic from this bill.

It emanates from this logic that the government had to orient inevitably the draft bill on restricting the self-management of the enterprise, which is the prevailing form at present. The government had two options: either leave the present prevailing form under which an assembly of employees decides all fundamental issues and therefore the employee's assembly appoints a managing director, decides remuneration, the size of the enterprise, its organization, incorporation and approves other matters, such as those concerning the use of profit and economic results; or, the other option is to go down such a road as to make it possible to carry out a transformational solution for the commercialization of state enterprises, stripping them of state control without endless debates and discussions, limits of which have not been defined beforehand.

If we are to go down this road, this means to increase temporarily the role of the state, the state management in order to enable it to ensure this transformation. This is thus the second essential factor of the concept of the bill on state enterprise whereby, at the same time, the decisive power of self- management is abolished, which in essense converts or brings closer the former state property to the level of a cooperative property, some kind of a cooperative collective with all the ramifications which emanate from it; that is, to restrict this decisive power in this form of state enterprise to the founder when another form does not exist; that is, to the body which represents the state at this moment; that is, the government and its relevant bodies.

Therein lies the essence of the solution, the essence whereby the role of the founder is increased and whereby the former sovereign function of the employees' assembly to appoint a managing director has been assumed by the founder. According to the draft bill, managing directors of enterprises would be appointed by a founder. The founder would be able to make the decision to split up enterprises and divide them into smaller units, carry out decentralization, and institute other forms. It could decide to make use of the law on joint stock companies approved yesterday; that is, to convert the enterprise into a joint stock company or convert it to other forms of ownership, but only if authorized by the federal or national governments and with this possibility, however, restricted to last to the end of this year.

It is understandable that this solution, whose logic—as I would like to reiterate—is given by the reformist intentions drawn up and approved by the government, has provoked a reaction and debate. It has met with certain mistrust by those who preferred the concept of strengthening the self-management solution. Certain flashpoints of tension, certain misunderstandings, have been created here, and I would like to say that the government in drawing up the concept, in tackling the very basic concept of the law, and long before it tackled and weighed up its partial issues, individual paragraphs, weighed up very carefully employees' participation and its importance. The government did not seek to attack employees' participation. It weighed above all the new character of the development of our society, the new position of trade unions, the fact that trade unions must above all represent working people; and therefore this

law proceeds from the general guarantee of trade union rights—above all, of trade unions as representatives of the working people and not some kind of specific and peculiar bodies which were pseudodemocratic in the previous totalitarian set up.

At the same time, we weighed up and discussed other issues concerning employees' participation in the form of supervisory boards. Besides the managing director, the supervisory board is to continue to be the basic element of management, drawing up the concept of the orientation of the state enterprise. Half of the supervisory board is to be elected by the employees of the enterprise and half is to be appointed by the founder. At the same time it is not envisaged that the second half will be appointed from the ranks of civil servants, but should be represented above all by professionals from banks, accountants, theoreticians, and enterprise management, so as to bring the concept of the supervisory board rather closer to the character of a board of directors, which is oriented very well. We believe that this solution is far more beneficial to the interests of employees. This is because the main issue in the current period will be to ensure the prosperity of the enterprises through good management, to secure the future for employees as a result of the enterprise being profitable and prosperous, by its not finding itself among the bankrupt enterprises and thereby not opening up before them the prospect of losing jobs. In other words, it is fundamental questions that are at issue. [end recording]

[Lidicky] These were the principal ideas from the speech delivered by Valtr Komarek, federal vice premier, who presented the government draft bill on state enterprise. Deputies also heard reports of the joint rapporteurs of the Chamber's committee. The debate on the bill is to follow.

Assembly Debates Interior Minister's Actions

LD1904225790 Prague Domestic Service in Czech 2200 GMT 19 Apr 90

[Correspondent Roman Zamboch report on proceedings of the Chamber of the People and Chamber of the Nations at the Federal Assembly in Prague—live]

[Text] Yes, it is a few minutes past midnight and here in the debating chamber are not only the deputies of the two chambers, including Federal Assembly Chairman Alexander Dubcek, but also Marian Calfa, premier of the government of national understanding, and other members of his government.

The content of this night session is a debate on an interpellation to Federal Interior Minister Richard Sacher made by deputy Ladislav Lis, who explained at length the reason why he does not agree with the way in which Dr. Sacher is running his ministry. The interior minister cited certain facts with which he attempted to explain his activity so far, above all the serious allegation that he has had certain deputies vetted.

As I speak, a debate has begun on these two speeches, but in keeping with the parliamentary rules of procedure, the deputies decided that it is to be held privately, and they asked representatives of the media—ourselves included—to leave the debating chamber. We therefore have no option but to respect this demand and to await official conclusions of this agenda item, which Czechoslovak Radio will report to its listeners in its early morning bulletins. Before I sign off, let me recall that during the 19 April session, parliament approved nine important economic laws, and the proceedings resume today, 20 April. We will be back in the morning with more live updates—the first will be on Radio Czechoslovakia at 0900. That's all for now from correspondents Lubos Lidicky, Jan Smihula, and Roman Zamboch.

Foreign Economic Relations Law Amended

LD2004012990 Prague CTK in English 2215 GMT 19 Apr 90

[Text] Prague April 19 (CTK)—The abolishing of a monopoly of Czechoslovak foreign trade corporations is the main result of the amendment to the Law on Economic Relations With Foreign Countries that was passed by the Czechoslovak Parliament today.

The amendment enables individual Czechoslovak citizens to undertake abroad and to participate in other economic relations with foreign countries. Permission for such activity is replaced by mere registration.

The expose to the law at the same time pointed out that the Czechoslovak economy has a number of unbalanced spheres and its liberalization did not make great progress. It is therefore necessary to preserve a certain regulation of foreign trade undertaking to a certain extent through custom-duties, export and import licences and an institute allowing foreign trade activity. The granting of permission is, according to the expose, necessary for subjects who will act as middlemen and for products controlled by the state such as weapons, narcotics, raw materials and products necessary for home market supplies. It will also concern products that are subject to auto-limitation obligations or contingents in the framework of agreements with the CMEA countries or are bound by a certain obligation of the government. Also the sale of labour force will require a permit. The expose stressed that the amendment is only a temporary solution.

Foreign Capital Enterprise Law Amended

LD2004013290 Prague CTK in English 2220 GMT 19 Apr 90

[Text] Prague, April 19 (CTK)—The amendment to the law on enterprise with foreign capital participation that was passed by the Czechoslovak Parliament today gives Czechoslovak citizens and foreigners equal rights in acquiring permission for founding these enterprises in Czechoslovakia.

The amendment replaces the provision on "permission to sign an agreement on the establishment of an enterprise" with a clause on "permission to establish an enterprise", thus enabling individuals to found enterprises with foreign capital participation.

As regards foreigners, they can participate in the establishment of an enterprise with foreign capital participation in Czechoslovakia directly or can join the enterprise after it is founded by a Czechoslovak citizen.

The amendment also provides for the creation of a five-member group at the Czechoslovak Ministry of Finance that will consider applications for permission.

The 1988 law on enterprises with foreign capital participation did not enable individual Czechoslovak citizens to participate in these enterprises, and with its provisions, it discouraged foreigners from establishing enterprises in Czechoslovakia.

Debates Soil Use Amendment

LD2004105390 Prague CTK in English 0640 GMT 20 Apr 90

[Text] Prague April 19 (CTK)—The Federal Assembly discussed here today also an amendment to the law on the use of soil and other agricultural property for ensuring the production.

Federal Minister of Agriculture and Food Oldrich Bursky stressed that the amendment equalizes all forms of soil ownership and makes it possible to return the soil to original owners. By the adoption of the bill the number of privately owned agricultural enterprises will increase and therefore the ministry will establish a body to deal with the development of this sector.

The amendment concerns some 20 per cent of agricultural soil and must be understood as temporary and transitional solution.

Federal Assembly Continues Session 20 Apr

Dubcek Calls for End to State Name Debate

LD2004100590 Prague Domestic Service in Czech 0830 GMT 20 Apr 90

[Excerpts] [Announcer] The third day of the 27th joint meeting of the two chambers of the Federal Assembly in this election period continues in Prague today. Lubos Lidicky is ready at the microphone in parliament in order to report on the course of the deputies' deliberations to date.

[Lidicky] [passage omitted summarizing 19 April proceedings] Today's session was described by Federal Assembly Chairman Alexander Dubcek, who chaired the meeting, as an important chapter in the history of our homeland, when we should end the discussions on the new title of the republic in a dignified manner. Alexander Dubcek briefly described all deliberations which preceded this day: the meeting between the national council presidiums and the Federal Assembly Presidium, the meeting between representatives and the president of the Republic, the extraordinary session of the governments, and so on. [passage omitted describing draft bill on the change in the title of the Republic]

Present in the discussion hall were 149 deputies from the Chamber of People, 50 deputies from the Chamber of Nations elected in the Czech Republic, and 50 deputies from the Chamber of Nations elected in the Slovak Republic. The draft was explained by Petr Kucera, joint rapporteur and deputy of the Chamber of People. [passage omitted providing remainder of 20 April agenda]

Assembly Changes Republic's Name

LD2004101790 Prague Domestic Service in Czech 0916 GMT 20 Apr 90

[Text] This is the Federal Assembly; Lubos Lidicky at the microphone. The time was 1112 when Federal Assembly Chairman Alexander Dubcek announced the result of the vote on the title [of the Republic]. Since 1112 the name of our homeland is the Czech and Slovak Federative Republic [Czech vernacular: Ceska a Slovenska Federativni Republica; in Slovak: Ceska a Slovenska Federativna Republica].

How did the vote go? How did the deputies vote? The vote opened at 1058. Present in the voting hall were 168 deputies from the Chamber of People, 57 deputies from the Chamber of Nations elected in the Czech Republic, and 59 deputies elected in the Slovak Republic. And this is how the Chamber of People voted: 133 deputies were for, 20 were against, others abstained.

The deputies of the Chamber of Nations elected in the Slovak Republic unanimously approved the change in the title of the republic. The vote in the Chamber of Nations of the deputies elected in the Czech Republic was dramatic. The title of the republic, the Czech and Slovak Federative Republic, was approved by one vote, that is, by 44 votes in favor. [sentence as heard]

This was my topical report from the Federal Assembly. I am now switching back to Radio Czechoslovakia.

Further on Assembly Session

LD2004110590 Prague CTK in English 0654 GMT 20 Apr 90

[Text] Prague April 20 (CTK)—A debate on the interpellation of chairman of the defence and security committee of the house of nations, deputy to the House of Nations Ladislav Lis, he raised at the close of yesterday's meeting of a joint parliamentary session, lasted almost three hours and took place behind the closed door. [sentence as received]

The interpellation was addressed to Czechoslovak Interior Minister Richard Sacher, who has been criticized for

the situation in his ministry. The last speaker addressed the parliament after 2.00 a.m.

Czechoslovak Federal Assembly Deputy Chairman Zdenek Jicinsky has announced that Richard Sacher will give a written answer to the interpellation of Deputy Ladislav Lis by May 2.

The joint 27th parliament session will continue today at 7.30 GMT.

CTK Notes Interior Ministry Disputes

LD1904172590 Prague CTK in English 1623 GMT 19 Apr 90

[Text] Prague April 19 (CTK)—There are speculations about a 'Sachergate' scandal. It is evident that the long, latent conflict around the Ministry of the Interior and Minister Richard Sacher will culminate, the independent daily LIDOVE NOVINY said today.

The current situation at the Czechoslovak Ministry of the Interior, about which Minister Sacher spoke during his meeting with journalists in the Federal Assembly on April 18 as being "a more powerful body than in other countries and the remnant of the totalitarian way of forming structures," is marked by disputes between the minister and his deputies Jaroslav Prochazka and Viliam Ciklamini concerning the speed of the reconstruction of the State Security Corps. The farmers' daily ZEMEDELSKE NOVINY described the conflict on April 13 as disputes concerning the democratization of the Ministry of the Interior. In Sacher's opinion the conflicts result from different stands on the rate of the screening of former security corps members and on the creation of the Office for the Protection of the Constitution and Democracy, LIDOVE NOVINY said.

Another dispute has been caused by the screening of persons in state functions as regards their contacts with the former State Security Corps. Richard Sacher has stressed he had banned the screening of the Federal Assembly deputies. But the daily ZEMEDELSKE NOVINY published today a statement by Jaroslav Prochazka, Viliam Ciklamini and Director of the Office for the Protection of the Constitution and Democracy Zdenek Formanek, claiming that the screening of the members of parliament has been ordered by the minister.

There exist also disputes between Minister Sacher and members of the Central Screening Commission of the Ministry of the Interior which has been since March 5, 1990 studying the activities of the former State Security Corps which were dismantled as from January 31, 1990 and their members included among reserves. In the opinion of members of the commission the core of the problem is the fact that Richard Sacher has surrounded himself with persons who have contacts with the old structures. They stress that the Ministry of the Interior would be capable of functioning in the same way as before the November 17 revolution within an hour.

Tension has occurred in the ministry also in consequence of the opening of the ministry's archives of the fifties, LIDOVE NOVINY said.

CPCZ Daily Reacts to Threat To Prosecute Party

AU2004095490 Prague RUDE PRAVO in Czech 18 Apr 90 p 1

[Zdenek Porybny commentary: "Communists Know What Fascism Is"]

[Text] RUDE PRAVO received the letter of [Prague city prosecutor] T. Sokol, LLD, via CTK Tuesday [17 April] evening and was unable to obtain a response from the Communist Party of Czechoslovakia [CPCZ] Central Committee before today's issue went to press. Let us therefore make only three brief remarks:

1. We would like to draw the Prague prosecutor's attention to the fact that members of the CPCZ know what fascism is—over 25,000 of them perished in the struggle against it during World War II and thousands of others were imprisoned because of their antifascist stand and activity.
2. The CPCZ is a legal political party respecting the Constitution and the laws of this country. It wants to seek the support of voters in an honorable way in free elections. It is also explicitly named in the law on political parties and movements of 23 January 1990 as one of the already existing parties.
3. Several days ago, the CPCZ was properly registered as a participant in the parliamentary elections. Does the letter of T. Sokol, LLD, to the CPCZ Central Committee have anything to do with the fact that the election campaign starts in a few days? Is this meant as a contribution of the newly formed impartial judicial bodies to the culture and decency of the election campaign? What is the opinion on this of the highest constitutional representatives of our country—President Vaclav Havel, Federal Assembly Chairman Alexander Dubcek, Czech Republic Premier Petr Pithart, and Minister of Justice Dagmar Buresova?

Civic Forum Adopts Stand on Prosecutor's Letter

LD1904193390 Prague Domestic Service in Czech 1630 GMT 19 Apr 90

[Text] Journalists acquainted themselves in Prague today with the standpoint of the Council of Coordination Center of Civic Forum on the letter written by Tomas Sokol, city prosecutor of Prague, addressed to the Czechoslovak Communist Party [CPCZ] Central Committee.

In the standpoint, the Council of Coordination Center of the Civic Forum expresses its conviction that Tomas Sokol was only fulfilling his duty by interpeting a valid law within the purview of his authority and competence as an official of an independent state body and according to his best conscience. The Council supports the view of the city prosecutor, which is not an appeal to ban the

CPCZ but a warning against the possible fulfilment of an act constituting an offense. Jan Urban, who is chairing the Council of Coordination Center said that the standpoint of the Coordination Center of Civic Forum ought to be explained in such a way that we do not intend to ban any political party and that the Communist Party must be given the possibility to legally defend itself. Nevertheless, should a prosecutor be an independent body, he must have the right to also express nontraditional views. The law is here to prove that he is wrong or that he is right. A disciplinary proceeding is not the best way to apply the law, said Jan Urban at today's news conference, and said that the whole affair became a very sensitive issue to which hundreds of people reacted. Civic Forum received a number of personal visits, telephone calls, and resolutions, the overwhelming majority of which agree with the letter of Tomas Sokol.

Preparations for Elections Near Completion

LD1904202390 Prague CTK in English 1740 GMT 19 Apr 90

[Text] Prague April 19 (CTK)—A total of 23 political parties, movements and coalitions will participate in the parliamentary elections in Czechoslovakia due to take place on June 8-9, Chairman of the Central Electoral Commission Zdenek Zhaorsky told journalists today.

He said that numbers on the lists of candidates and ballot-papers have already been drawn.

Deputy Chairman of the Federal Statistical Office Jan Fiser said that the first results of the elections will be known on June 10 in the evening and the complete results on June 13.

Journalists were told that a total of 7,500,000 voters will participate in the elections in the Czech Republic and 3,650,000 voters in the Slovak Republic. There will be about 25,000 electoral districts on Czechoslovak territory.

The state will not contribute to the pre-election campaign, but the electoral law does not prevent political parties and movements from getting financial support from abroad and they can also make use of credits.

The electoral campaign starts 40 days before the elections, i.e. on April 27, and ends 48 hours before their start.

Asked whether the Pope's visit to Czechoslovakia will not influence the course and results of the elections, Czechoslovak First Deputy Interior Minister Ivan prusa said it will not. He said that the visit of Pope John Paul II was decided earlier than the term of the elections.

Answering the question about the participation of the Czechoslovak population in the elections, Jan Fiser said that while according to January and February public opinion polls some 90 per cent were ready to participate, current polls show that the participation will be lower.

As regards Czechoslovak citizens abroad, they will be informed at border crossings about the nearest electoral district to be able to participate in the elections on the bais of valid travel documents.

Social Democracy Rejects Communist Coalition

LD1904180790 Prague CTK in English 1620 GMT 19 Apr 90

[Text] Prague April 19 (CTK)—Czechoslovak Social Democracy rejects in principle any coalition with the Communist Party or any other party adhering to communist ideology, regardless of next elections results, the Czechoslovak Social Democracy Presidium stated here today.

In a statement given to CTK, the Czechoslovak Social Democracy Presidium, reacting to an initiative of the party's membership, of the Czechoslovak political prisoners' confederation and other initiatives and citizens, demanded that the crimes against humanity should not fall under the statute of limitation, regardless of by whom or when they were committed.

It also demanded a full rehabilitation of political prisoners while rehabilitation costs should be covered from the Czechoslovak Communist Party's property.

The Czechoslovak Social Democracy also demanded the return of its property it was unlawfully deprived of in 1948.

Alliance To Run in Jun Elections Introduced

AU1904163490 Prague ZEMEDELSKE NOVINY in Czech 14 Apr 90 p 6

[Interview with Engineer Jaroslav Mracek, secretary of the Electoral Alliance of Interest Groups in the Czech Republic, by Vladislav Fuka; place and date not given: "Parliamentary Seats Also for Interest Groups"—opening paragraph is ZEMEDELSKE NOVINY introduction]

[Excerpts] One of the properly registered movements that will run in the elections independently is the Electoral Alliance of Interest Groups in the Czech Republic [Volebni seskupeni zajmovych svazu v Ceske republice]. Because fewer than 50 days separate us from "D"-day, we asked Engineer Jaroslav Mracek, secretary of this alliance, a few questions.

[Fuka] Who belongs to this electoral alliance and what is its aim?

[Mracek] The Electoral Alliance of Interest Groups in the Czech Republic is composed of the Czech Fishermen's Union, Czech Gardeners' Union, Czech Beekeepers' Union, and the Czech Breeders' Union. On the basis of its historically formed democratic traditions, our movement wants to assert social justice and the free and voluntary exercise of the political, economic, social, and

cultural rights of each of its members and every citizen. An important hallmark of the Electoral Alliance of Interest Groups is the endeavor to gradually make up for damage done to nature with the aim of restoring harmony between man and nature. [passage omitted]

[Fuka] Yet the Electoral Alliance of Agrarians and the Countryside, too, wants to represent the interests of fishermen, gardeners, small breeders, and beekeepers. Did you not consider filing a joint list of candidates?

[Mracek] [passage omitted] Not all of the points contained within the program of the Electoral Alliance of Agrarians and the Countryside are acceptable to our alliance. In contrast to their program, our main endeavor is to remove commercialism from all special interest activities. [passage omitted]

[Fuka] Do you believe that you will get the necessary five percent of the votes in the elections [to win seats in parliament]?

[Mracek] In view of the fact that the organizations making up the alliance have almost 1 million members, I am confident that we will get the necessary five percent of the votes. We realize that having people who work in interest groups as voluntary functionaries and who know their problems as representatives in the Federal Assembly or in the Czech National Council is essential for the protection of the environment and for securing firm social guarantees and the further development of special-interest activities.

CR Chairman, SR Electoral Commissions Selected

AU1904123590 Prague RUDE PRAVO in Czech 13 Apr 90 p 2

[CTK and "gc"-signed report: "The First Session of the Central Electoral Commission Took Place"]

[Excerpt] Prague—[passage omitted] The first session of the Czech Electoral Commission was held on Thursday [12 April]. Drawing lots, Jiri Penicka (Free Bloc) was selected as its chairman. Kamila Krisova (Czechoslovak Social Democracy) was selected deputy chairman of the commission. As required by the election law, representatives of those parties, movements, and coalitions which will take part in the June elections to the Czech National Council were nominated by their organizations for membership in the commission. Not all of them, however, made use of their right to send representatives.

Pavol Fabian, of the Green Party, was chosen to be chairman of the Slovak Electoral Commission and Peter Sutovsky, of the Party of National Liberal, to be deputy chairman. Thus far, members of the Czechoslovak Democratic Movement, the Free Bloc coalition, and the Romanies have not made use of their right to delegate two representatives each to the commission.

Ex-Opposition Activists Said Crime Targets

AU1904130990 Prague LIDOVE NOVINY in Czech 17 Apr 90 p 2

["jal"-signed report: "Connections?"]

[Text] Several house burglaries, car break-ins, and, on Friday, even the beating up of a person on a street in Vlasim [reference to Charter 77 signatory and Civic Forum activist Frantisek Innemann, who was beaten up by two unidentified assailants on 13 April and who is now hospitalized]—this is the balance sheet for the last few weeks. In a number of specific cases, these seemingly unconnected crimes have one common denominator: The victims are employees of the Independent Press Center, of our publishing house, and Charter 77 signatories. The thieves' work is clean, professional, or at least carried out as if by routine—starting with breaking a door open and causing hateful disorder in apartments and ending with the smooth and clean break-ins of automobiles. Of course, all this can be a coincidence. However, given the preelection context, the coincidence is a very peculiar one.

Finance Minister, Bank President on Fiscal Change

LD1904212290 Prague CTK in English 1935 GMT 19 Apr 90

[Text] Prague April 19 (CTK)—The touristic course of the Czechoslovak crown towards hard currencies will be revalued by another 10 per cent, i.e., since its introduction at the beginning of the year by 15 per cent, Czechoslovak Minister of Finance Vaclav Klaus and President of the State Bank of Czechoslovakia Josef Tasovsky told journalists here today.

They said that Czechoslovakia has been visited by a record number of 20 million foreign tourists in the first three months of the year, and agreed that the present structure of Czechoslovak prices is the main obstacle to the creation of the exchange market and further liberalization of travelling to Czechoslovakia.

Speaking about their yesterday's talks in Vienna where they signed a document on Czechoslovakia's joining the "Belgian Group" of the International Monetary Fund and the World Bank, Vaclav Klaus and Josef Tosovsky said that the main reason why they preferred this group to the Dutch Group is that the former is more homogeneous and that its members are Hungary and Austria, the countries with which Czechoslovakia maintains economic relations. By joining this group, Czechoslovakia gained the possibility to assume the post of the World Bank executive director from 1992 as the first East European country.

Vaclav Klaus further spoke of the elaboration of the so-called transformation law, which is, in his opinion, a unique attempt to transform ownership relations in Czechoslovakia.

He stressed that as regards the concept of privatization and denationalization of the Czechoslovak economy, Czechoslovak economists agree that the transformation of state enterprises into the shape of state joint-stock companies capable of being privatized must be the first stage. It has not yet been known how many enterprises will be offered in the first privatization wave, he added.

Josef Tosovsky told journalists that as many as 40 Czechoslovak enterprises have already asked for the possibility to issue negotiable and non-negotiable bonds. For instance the Commercial Bank of Prague intends to issue bonds worth 1,000 million crowns with an eight-per cent rate.

New Minority Council Established in Slovakia

LD1904165190 Budapest MTI in English 1320 GMT 19 Apr 90

[Text] Prague, April 19 (MTI)—The Slovak Government appointed a new minority council on Wednesday, one that has greater authority than the earlier. The council is headed by Prime Minister Milan Cic, and its members include representatives of the central state organs, the councils, the political parties and movements, the minority organizations, and the scientific and cultural institutions.

As is noted in the communique issued on Wednesday's government session, the council's main task is to participate in the preparation of the legal regulations and government measures referring to the equal and integral economic, social and cultural development of the minorities living in Slovakia, and to follow the enforcement of the minority policy principles with attention. The council should also call attention to the characteristic problems of the areas inhabited by several minorities, and to analyze the situation of Slovaks living beyond the country's borders.

Rights Group Predicts Prison Riots

LD1904140690 Prague CTK in English 1129 GMT 19 Apr 90

[Text] Prague April 19 (CTK)—Situation in some of Czechoslovak prisons has sharpened considerably so that further rebellions may be expected, a statement of the Czechoslovak Committee for the Defense of Unjustly Prosecuted, a member of the International Federation for Human Rights (FIDH), issued here Thursday said.

"We consider the indifference and unconcern of some warders and commanding officers, which create an impression that they strive for unrest in prisons and its political consequences, one of the main reasons of this situation," the statement pointed out.

Tense situation has been registered mainly in the prisons at Pankrac district in Prague and Valdice, East Bohemia.

Havel on Pope's Visit, 'New Europe'

LD1904214690 Prague Domestic Service in Czech 2030 GMT 19 Apr 90

[Text] President Vaclav Havel has pointed to the tremendous significance of the visit of Pope John Paul II to Czechoslovakia. In an interview for the Italian agency ANSA he said that, in inviting the Pope, just like the Dalai Lama of Tibet, he acted on the premise that the spiritual dimension should play an increasingly greater role in politics. According to Vaclav Havel, this is one of the paths toward the salvation of the world.

The president also talked about his attempts to mediate in various conflicts, for example between Israel and the PLO and between Moscow and Vilnius. He said that his upcoming trip to Israel, too, will be a peace mission during which he will have talks about the Palestinian problem. Asked whether or not he fears the unification of Germany, he said he is afraid only of totalitarian countries, regardless of their size. The new Europe is unthinkable without a united Germany, just as a united Germany is unthinkable in a divided Europe. The unification of Germany, Vaclav Havel stressed, must take place within the framework of an all-European process with the consent of all sides.

Asked about nationalism, which is appearing in relations between the Czechs and the Slovaks, the president said it is natural that conflicts should arise after years of oppression, just when old regimes are collapsing. Bratislava, however, will not become a second Vilnius, Vaclav Havel stressed in his interview for the Italian press agency ANSA.

U.S. Commercial Agreement Signed

AU1904165090 Prague RUDE PRAVO in Czech 13 Apr 90 pp 1, 15

[Josef Nyvlt report: "Trade Agreement CSFR - United States"]

[Text] Washington (From our correspondent)— Andrej Barcak, Czechoslovak Federative Republic foreign trade minister, signed a trade agreement between the CSFR and the United Sates in Washington on Thursday [12 April]. The agreement is the first specific step toward normalization of economic relations between both countries. Carla Hills, the U.S. President's commercial representative, signed this agreement for the United States.

At the same time, a joint CSFR-U.S. commercial commission has been established by special arrangement. The objective of this commission is to explore the possibilities for economic relations and to ensure that both sides benefit from the implementation of the trade agreement.

The agreement contains, among other things, clauses on the development of tourism, protection of intellectual property, state enterprises, and other commercial and financial questions.

Part and parcel of the trade agreement is the application for most-favored-nation status, which the United States withdrew from Czechoslovakia in 1951.

The agreement can have a genuine impact on mutual economic relations after passage by the U.S. Congress. President Bush is expected to present this agreement to Congress within 60 days after it has been signed.

Experts assume that after commercial relations are normalized, Czechoslovak exports to the United States may, within two years, approximately double from the current $100 million (by lowering the duty on already exported items, as well as by extending exports with new types of goods, which could not be exported under the current customs barriers). New commercial relations are also expected to create conditions for a transition from a simple exchange of goods to mutual cooperation and to cooperation in third-country markets. The agreement is also expected to contribute to U.S. investments in Czechoslovakia.

Barcak on U.S. Trade Agreement

AU1904165290 Prague RUDE PRAVO in Czech 14 Apr 90 pp 1, 3

[Interview with Foreign Trade Minister Andrej Barcak by Josef Nyvlt; place and date not given: "On Trade With the United States"]

[Text] Washington (From our correspondent)—As we have reported, Andrej Barcak, Czechoslovak Federative Republic foreign trade minister, and Carla Hills, the U.S. President's trade representative, signed a trade agreement between Czechoslovakia and the United States last night (Central European time).

On this occasion, C. Hills acknowledged the high level of professionalism of the Czechoslovak partners during the negotiations, which were not easy.

After the agreement had been signed, A. Barcak, foreign trade minister, met with RUDE PRAVO, Czechoslovak Radio, and CTK correspondents. He stressed in the interview that signing the agreement represents only a beginning. In Czechoslovakia, the implementation of this agreement will call for legislative changes and changes in those manufacturing enterprises interested in succeeding in the U.S. market.

The trade agrement was concluded for a period of three years and, if it is not canceled by either party one month prior to the expiration of this period at the latest, the agreement will automatically be renewed for another three-year period. Upon approval by the U.S. Congress, or by Presidential decision, most- favored-nation status will also enter in force.

The advantage which this status brings can be illustrated by the example of our costume jewelry. Its export value to the United States reaches 9 million dollars per year. After most-favored- nation status is given back to us, the duty will fall from the current 110 percent to 11 percent.

Further expansion of exports will depend on the product quality of costume jewelry, glass, textiles, tractors, tires, or steel—which have tradition on the U.S. market—and also in other sectors.

Minister Barcak said that in the investment sphere, it is the investors from the neighboring FRG who have asserted themselves most significantly in our country. As soon as payments with the USSR are made in convertible currency, the FRG will become Czechoslovakia's largest trade partner. Our interest in U.S., Canadian, Japanese, or South Korean investments is motivated by our effort to avoid another one-sided dependence.

Also, our countrymen from all over the world, not excluding the United States, express interest in investing in Czechoslovakia. I would divide them into several groups, A. Barcak said. There are those who are coming with very good and mutually beneficial offers and, on the other hand, those who want to use the boom and who want to profit from the inexperience and low level of information availability in Czechoslovakia.

'Secret' Draft of FRG-GDR Treaty Published

LD1904230190 East Berlin ADN International Service in German 2210 GMT 19 Apr 90

[Text] Berlin (ADN)—Under the headline "The Bonn State Treaty—The Subjugation of the GDR," DIE TAGESZEITUNG (TAZ) publishes on a whole page in its GDR Friday edition the treaty on the creation of a "monetary union as well as economic and social community" between the two German states.

Without naming a source for the secret document, the newspaper describes the document in a preceding commentary as "anticipation of Paragraph 23 of the Basic Law." In it the GDR is to commit itself to assuming all the FRG regulations valid to date in the spheres of economic, monetary, social, and labor legislation. According to TAZ, the treaty has the right to annul the current Constitution and laws of GDR. "In a gesture of great subjugation, the social market economy with all current tax, customs and economic laws are to be enforced, all principles of their policies are to be coordinated with the Federal Republic Government. The GDR will become the transfer picture of the FRG."

The commentary faults the fact, among other things, that in the secret document neither the social charter of the GDR nor the exchange rate of 1:1 which was established in the coalition agreement, have been taken into consideration.

Eppelmann Advocates Troop Reduction 'to Zero'

LD2004084990 East Berlin ADN International Service in German 0506 GMT 20 Apr 90

[Text] Cologne (ADN)—GDR Minister for Disarmament and Defense Rainer Eppelmann thinks a reduction of the 135,000 men of the GDR National People's Army "to 100,000 or between 80,000 and 50,000" is possible. Eppelmann told the Cologne EXPRESS newspaper he would put this suggestion to his West German counterpart Gerhard Stoltenberg at their meeting in Hannover on 27 April. In general, Eppelmann advocated a reduction of the GDR's forces "to zero." However, he conceded that such a solution could probably only be achieved within an international peace order. "Even a European peace order, if we could achieve it by the end of this century, would not mean that there would be a Europe without arms", the politician said.

Eppelmann also spoke in favor of drastic restrictions of low-flying aircraft and announced that barracks, regiments, and ships would "in the future" be newly named "after towns, federal laender, and the men of 20 July 1944 [date of assassination attempt against Hitler]."

FRG's Stoltenberg, Eppelmann To Meet 27 Apr

LD1904165790 East Berlin ADN International Service in German 1109 GMT 19 Apr 90

[Excerpt] Bonn (ADN)—Federal Defense Minister Gerhard Stoltenberg (Christian Democratic Union) [CDU] and new GDR Minister for Disarmament and Defense Rainer Eppelmann (Democratic Awakening) [DA] will meet for their first talks in Hanover on April 27. The Bonn Defense Ministry announced today that the "informal meeting" will be used to exchange opinions on questions of mutual interest concerning security and disarmament, as well as future relations between the Bundeswehr and the National People's Army. The meeting will be conducted "in an entirely civilian manner," there will be no military ceremony, it was said. [passage omitted]

Bergmann-Pohl, Meckel on New Tasks

AU1904133990 East Berlin NEUE ZEIT in German 17 Apr 90 p 6

[Klaus Bruske report: "Great Expectations of Population Require Quick Functioning of Government"]

[Excerpt] The faces of our country's politicians who were appointed as members of our government did not only reflect joy but also sorrow when NEUE ZEIT interviewed them on their future tasks. We talked with Parliamentary President Sabine Bergmann-Pohl (Christian Democratic Union), as well as with Ministers Markus Meckel (Social Democratic Party), Cordula Schubert (Christian Democratic Union), Manfred Preiss (League of Free Democrats), Karl-Hermann Steinberg (Christian Democratic Union), Regine Hildebrandt (Social Democratic Party of Germany), Christa Schmidt (Christian Democratic Union), and Klaus Reichenbach (Christian Democratic Union).

Despite some initial "gaffes" concerning democracy, Sabine Bergmann-Pohl believes that parliamentary work will be constructive. Certain rules have to be established, such as how to deal with each other. Everybody, including herself, will have to undergo a continuous learning process.

Foreign Minister Markus Meckel conceded that some of the problems in the Foreign Ministry will be as difficult as squaring a circle. However, there are certain formulas for which not only mathematical solutions can be found. In foreign policy, particularly in view of the European unification process, it is important now to build confidence and to think in a new way about the future. Meckel, who wants to maintain close contacts with FRG Foreign Minister Hans- Dietrich Genscher, believes that a trip to Warsaw might signal a good start for his term of office. In any case, the European harmonization of German reunification must be coordinated by the two foreign ministers. It is important now to build and preserve confidence in all West and East European neighbor countries, Meckel said. [passage omitted]

De Maiziere's Speech to People's Chamber 19 Apr

LD1904101890 East Berlin Deutschlandsender Network in German 0804 GMT 19 Apr 90

["Government Statement" delivered by Prime Minister Lothar de Maiziere at the People's Chamber session in East Berlin—live]

[Text] Madame President, ladies and gentlemen, esteemed deputies! The renewal of our society came under the slogan "We are the people". The people became conscious of themselves; for the first time in many decades, the inhabitants of the GDR came together as a people. The elections which produced this parliament were elections of the people; for the first time the People's Chamber does justice to its name. And from the call "We are the people" developed the call "We are one people." The people in the GDR came together as part of one people, as part of the one German people which wanted to grow together again. Our electors expressed this political determination clearly in the elections of 18 March 1990, and this determination places a commitment upon us. It is our common duty to fulfill it to the best of our ability.

Our society's new beginning should also be an honest new beginning. In the great historical process of our liberation, we have one politician to thank for the effective concentration of many positive impulses—Mikhail Gorbachev. We are aware of the difficult burden that he has to bear in the Soviet Union. We ask the people of the Soviet Union not to see the policy of the GDR and its striving for German unity as a threat. We are aware of our historical guilt regarding the Soviet Union, and we want to cooperate in friendly fashion as a free state with a Soviet Union in which the new thinking has been victorious. Glasnost and Perestroyka have opened up to the world new historic horizons which for a long time were not considered possible. They encouraged in the GDR, too, a citizen's movement which encompassed all sections of society.

A decisive force in this process were the new democratic groups in which people came together who burst the bonds of the past.

Those who carried through the peaceful revolution in autumn 1989 deserve an outstanding place in Germany history. This should always remain present and alive in this house.

When I express thanks here for our freedom, I am also thinking of the freedom movement in our eastern neighbor states. The Solidarity movement in Poland had a lasting effect on the whole of East Europe. Neither martial law nor rabble-rousing propaganda have been able to bolt the door against democracy. Names such as Lech Walesa or of the great civil rights activist and present State President of Czechoslovakia, Vaclav Havel, will stand for ever in the history books of the world and move the hearts of peace-loving people.

We think of the Hungarian people and its citizens who tore down the iron curtain and thus also pulled down part of the Berlin Wall. In the next few months this inhumane stigma will be torn down.

On behalf of the people of the GDR, I would like to thank the citizens of the Federal Republic of Germany. They supported us and they encouraged and helped us wherever possible. And let us not forget that for decades, even if at times not without self-interest, the Western media were for many GDR citizens the most important source of information. Often they were the only mouthpiece for the oppressed and the political dissidents in this country.

The wholehearted commitment of responsible politicians of the FRG, for example, Richard von Weizsaecker, Helmut Kohl, Willy Brandt, and Hans-Dietrich Genscher, to the self-determination and unity of the German people now puts us also in a position to be able to implement unity.

At this point I would like once again to thank Hans Modrow for his commitment. I am sure that we were spared a great deal as a result of his cautious policies. During the difficult times over the past six months, he remained above party politics as a democrat and stabilized this country in cooperation with the roundtable.

Esteemed deputies, we should not omit one particular vote of thanks today. This is a vote of thanks to the churches. Their contribution has been to offer shelter to dissidents and to champion those deprived of rights. Their level-headedness and their adherence to nonviolence have given our revolution its peaceful nature. For it might have been very different. We have reason to be deeply grateful that we were spared experiences such as the Romanian people had to suffer.

But our history is not only that of the past five years. As a free government and a free parliament we bow to the victims of fascism. We remember the victims of the concentration camps and of the war. But we remember also the victims of Stalinism, the victims of 17 June 1953 and the victims of the Wall. War and post-war, the unending entanglement of many people in guilt and expiation, and renewed historical guilt have left their mark on the face of our people. We would like to learn from those who, through these dark times, dared to offer political resistance. These people are the pride, and their achievement is the moral wealth of our people.

The people of the resistance remind us of our responsibility for our history. It is not the party for democratic socialism alone that must bear resonsibility for our GDR past. My party, too, must share the responsibility. We must all share the responsibility. It was only a few who ever dared to vote in opposition in the elections or to abstain altogether. Everyone should ask himself if he always did everything correctly and what lessons he has to learn from this. It is not always those who were courageous before who are today calling most loudly for others to be punished.

We all know that our new beginning is difficult. It would be thoughtless to underestimate this. Our society was compelled to live for 40 years on its capital, and not only in material terms.

We have suffered damage in many areas, and we have a lot to catch up on. And the damage is often such that we must first of all formulate a means of repairing it. In this situation, the continuing distrust, reluctance, and weariness of many citizens is only too understandable. But it is irresponsible to disseminate fear of those measures which are needed to rectify the damage. We are not dealing which problems arising now, but with old, hidden wounds in society, which must now be laid bare in order that they can heal.

This includes the structure and the methods of the former state security. It means that those people affected must be able to speak out. It does not help simply to make public the entanglement of individuals, in whose cases it is difficult to say to what extent they were victims or culprits.

Over the past weeks we have begun to feel how our young democracy has once again become entangled in the spider's web of the former state security. We will set up a government commission to carry out the disbandment of the entire organization of the Ministry for State Security or Office for National Security. This commission will ensure that the commendable work of the citizens' committees is brought to a conclusion under the rule of law. Overcoming the Stasi past requires unqualified respect for a state governed by the rule of law. In order in the future to protect the citizens from spying, we will submit a comprehensive law on data protection. There can never again be a central office in Germany gathering, without checks, information on the private lives and thoughts of the citizens.

Esteemed colleagues, we are in the process of acquiring a democracy. Nobody should confuse pause and consideration with indecisiveness. To have a grand coalition in this situation after three weeks is an achievement for which I thank all parliamentary groups involved. And I assure everyone that we will take time for responsible reflection in the future also. This will help us to avoid destroying the necessary basic consensus of the nation through ill-founded discord among the parties.

We must do all in our power to preserve this spirit and to prove ourselves worthy of our freedom.

Thus we take up the democratic heritage of Germany. Fifty-eight years of varying dictatorships should not obstruct our view of this. In the peasant war, in the wars of liberation, in the revolution of 1848-49, in the November revolution of 1918, in the events of 20 July 1944 and in the people's revolt of 17 June 1953, there was always the burning desire for democracy, and it was always stifled in blood or in resignation.

Today, on the other hand, we are in the historical situation where our democratic revolt was triggered by and is now being incorporated into a movement for democracy, peace, and international balance that is sweeping the continent.

Let us be aware what progress has already been achieved from November 1989 to April 1990 in our country, and let us play our part so that this movement does not stop at Europe's borders and so that ultimately a viable world comes into being.

After decades of lack of freedom and of dictatorship, we want freedom and democracy under the rule of law. For this we need a principled basis.

It was not the state security service that was the real sickness of the GDR; that was just one of its products. The actual hereditary disease of our socialist society was the dictatorial centralism which, through Stalinist blindness, was put in place of democracy, in place of self-determination of the people. It was this centralism which produced an atmosphere of pressure that poisoned all social life. Compulsion and pressure destroyed initiative, readiness for responsibility, and one's own convictions and made it a human achievement to follow one's own conscience.

Therefore it is not enough today to tackle one problem; we must start much deeper. We must be concious of our psychological damage, which expresses itself in hate, impatience, in new, even antisocial opportunism, in fatigue, and in desperation. We must help one another to become free people.

The quality of our path must be measured by the preservation of the basic values of society.

There are four things here: freedom for those who think differently; justice for all; the task of shaping peace internally and externally; and responsibility of life in all its forms.

These values point the direction which I—and I believe all of us—want to take. But here we do not to succumb to the illusion that this new order of freedom, democracy and justice is a task that can be mastered effortlessly. We do not succumb to the illusion that this new order and the transition to it do not require any more political-ethical qualities. On the contrary, where we had grown used to tutelage and passivity we will have to become socially adult, self-determined, and active.

This applies to every citizen, this applies to parliament and the government, and to the whole of social life. And we do not succumb to the illusion that morality and law are identical, that morality can be enforced with the aid of the law. Here I would say with Hoelderin's Hyperion: "But you grant the state too much power. It must not demand what it cannot enforce. And what love and the intellect give cannot be enforced. I should leave this alone, or people will take its law and pillory it. By Heaven, he who wants to make the state a school of

morals knows not how he sins. After all, what has turned the state into Hell is that man wanted to make it his Heaven."

These are indeed topical words on our recent past. In this sense our radical change is part of a revolutionary process of renewal in East Europe, which is also an all-European and a world process. Many would like to believe that in the final analysis it is counterrevolutionary. Following this 70-year development of real socialism, however, the "contra", the "against" is a natural necessity. Whoever more or less equated socialism with brutal party dictatorship, the placing of society under tutelage, state ownership of the means of production and centralized state commandism, whoever believed it possible to create a more just society by such means erred so fundamentaly that only a decisive "against" is possible here.

But whoever believes that we must also say goodbye to the ideal of social justice, of international solidarity, of help for people in our own society and in the whole world is also wrong.

We do not regard the form of market economy we are striving for as an end in itself, but rather we see it as a natural, internationally proved effective economic form which also offers the opportunity finally to fulfill our moral obligations in our own society and in the world to the necessary degree. We want to work, live and dwell in an ecologically committed social market economy. We will, in cooperation with the Federal Republic and the EC, develop it step by step. In the coming eight to 10 weeks we want to lay the foundations for economic, monetary, an social union, so that this can come into force before the summer recess. Here 1:1 is the basic rate. It also includes the safeguarding of ownership rights under the land reform and on the basis of transfers of ownership that were legal and in good faith and which therefore must also remain legal.

Included in this is that before the monetary conversion, the expenditure for the subsidies to date are added in a differentiated way to the wages and pensions. Only then can prices and rents be released step by step with the development of incomes.

One of our most important obligations toward our own people and toward mankind is the safeguarding of an environment which is worthy and capable of life. We cannot eliminate our defects in this area from one day to the next. But with the help of the Federal Republic we will set in motion an environmental protection program, which is thought out and fundable, and which protects existing jobs and creates new ones.

The third dimension of this quality of life, alongside the social-economic and the environmental, is intellectual life. Education, culture, and the media should be the expression of our freedom. Their variety and plurality will be a part of our social treasure. It is the task of the government and the parliament to watch over this treasure and to act against recent deformations.

The electoral mandate, to which the government is obliged, demands the creation of German unity in an undivided, peaceful Europe, this demand contains conditions with regard to speed and quality.

Unity must come as quickly as possible, but its framework conditions must be as good, as rational and as practicable in the future as necessary.

The discussions concerning monetary conversion at 1:1 or 1:2 have shown us very clearly that there is a connection here and that we must agree terms which ensure that GDR citizens do not feel that they are becoming second-class federal citizens.

Both concerns, speed and quality, may be best safeguarded if we realize unity via a path, to be agreed by treaty, in accordance with article 23 of the basic law. [applause] Since the summer of last year we have experienced many fine signs of friendship, readiness to help, and openness from federal citizens. But we also see with concern tendencies of a decline in readiness to give and show solidarity.

Therefore, a heartfelt request to the citizens of the Federal Republic. Remember that we had to bear the more difficult burden of German history for 40 years. As you know, the GDR did not receive any Marshall Plan support, but had to make reparation payments. We do not expect any sacrifices from you. We do expect a sense of community and solidarity. Truly, the division can only be terminated by sharing. [applause]

We shall work hard and well, but we also continue to need your support and solidarity, just as we sensed it last autumn. We are asked whether we have nothing to bring into German unity, and we answer: Yes, we do. We bring our land and our people, and we bring the values which have been created, our hard work, our training and our talent for improvisation, for necessity is the mother of invention. [applause]

We bring the experiences of the recent decades which we have in common with the countries of East Europe. We bring our sensitivity for social justice, soldiarity, and tolerance. The GDR did receive education against racism and xenophobia, even if there was little chance to carry it out in practice. We must not give any scope to xenophobia, nor do we want to. [applause]

We bring our bitter and proud experiences at the threshold between conformity and resistance. We bring our identity and our dignity. Our identity means our history and culture, our failures and achievements, our ideals and sufferings. Our dignity means our liberty and our human right to self-determination.

But this is not just about the last 40 years in Germany. There is a great deal of history to be got through in Germany, especially that which we placed more at the door of others and thus did too little to apply to ourselves. But whoever claims the positive assets of German history for himself must also stand by its debts,

regardless of when he was born and where he made his own active entry into that history. [applause]

Germany is our legacy in historical achievement and historical guilt. When we commit ourselves to Germany, we also commit ourselves to that dual legacy.

But we do not concern ourselves just with Germany: what is important is Europe. We are aware of the GDR's present weakness, but we also know that it is not a poor country in economic potential. The actual problems in our world, as well know, are not the German-German or East-West problems. The actual problems lie in the structural injustice between North and South. [applause] If a deadly threat to life of people is not to grow out of that, we too must participate in overcoming that injustice. The establishment of a more just international economic order is not only a matter for the great powers or the United Nations, but the task of each member of the community of peoples.

The way that Germans and foreigners live together peacefully in our country can also be a contribution to a new quality in the manner in which different peoples get on together. The clarification of the legal position of foreign fellow-citizens and the appointment of commissioners responsible for foreigners at various levels will be just as necessary for that as will be the encouragement of initiatives which enable cultural diversity to be regarded as a form of wealth.

Madame president, esteemed deputies. The coalition government which has been formed faces great, difficult, and very specific tasks, which necessitate clear and strategic decisions. The coalition government's aim in its economic policy is to convert the previous state-directed command economy into an ecologically-orientated social market economy. The conversion of planned state commandism to a social market economy must take place at high speed, but also in ordered steps. In the next few months both will still have to exist side by side. We have to act here according to the motto: "As much market as possible, and as much state as necessary." We attach outstanding importance in this regard to competition among all enterprises. It is the most important regulating device in the market economy. The coalition government will implement laws to encourage stability and growth in the economy, a cartel law, and a revision of the banking law and, above all, introduce a law to break up combines and large enterprises and to establish efficient company units typical of their particular lines of business.

In this connection, tasks and structure of the trustee institution are to be shaped in such a way as to create an instrument for managing the break up of publicly owned enterprises and for the transition to appropriate legal forms.

The dismantling of the planning system in its form to date should be largely achieved by the date of the currency union.

On the basis of the FRG Government's offer to the GDR Government on creating a currency, economic, and social union, it is the duty of the coalition government to guarantee the legal requirements necessary for this. In the negotiations with the Federal Government we start from the firm principle that the monetary, economic, and social union must form an inseparable unit and can only enter into force simultaneously. This includes start-up finance, in particular in the social area.

We confirm the view, already stated on many occasions, that the introduction of the Deutschmark on the territory of the GDR:

—Should take effect for wages on the basis of the rate of 1:1
—Should take effect for pensions also at a rate of 1:1, with a gradual increase to the net pension level of 70 percent after 45 years of contribution.
—Should take effect for savings and contributions in the nature of savings also at a rate of 1:1, with exploration of possibilities for a differentiated exchange.

The domestic debts of the publicly owned enterprises, the cooperatives, and the private enterprises should be regarded as separate.

The basis for this currency conversion is in principle the difference in productivity between the Federal Republic and the GDR. Thus the government is inclined, particularly in the case of the private and cooperative sector, toward largely cancelling domestic debts, in order to strengthen their competitiveness, and to achieve, in the case of the publicly owned enterprises, a revaluation of the domestic debt at least at a rate of 2:1 as well as providing adjustment aid for enterprises which can be organized competitively, for example through removing debt in the framework of the redevelopment regulations usual in the EC.

Just as in the case of Greece, Portugal or Spain, transition regulations for the protection of their economies were in force for several years, so we will have to agree with the Federal Government on comparable protection mechanisms.

During the adoption of the economic and social law system of the Federal Republic, it should be ensured that the necessary special regulations are taken in the transitional periods. We are thinking here of the Saarland model. Discriminatory economic and trade restrictions should at the same time be dismantled.

The coalition government will strive in particular to bring the creativity and motivation of the GDR people into the rapid transition to the social market economy. A thorough improvement in the economic situation in the GDR is expected by means of a broad flow of private capital in particular.

The laws presented at the end of the ninth electoral period of the GDR People's Chamber by the Modrow government on commercial freedom, the founding of

private enterprises including reprivatization, on the banking law, and on supplementing the tax law gave many GDR citizens an impulse to make themselves independent.

Up to the present however, there are only individual examples, in the area of the reprivatization of enterprises nationalized in 1972, in which the transition has been concluded. The broadly shared desire to found private commerce all too often fail because of the chronic lack of commercial space.

It is the aim of the coalition government to allow a clear change to arise in this matter immediately. For this reason legal regulations on the right of establishment; on the creation of commercial space; on professional, contractual and commercial freedom; and a law against unfair competition, will be worked on immediately.

Radical changes in order to push through our market economy concept are however not possible unless a comprehensive alteration of pricing is implemented. Prices are the controlling signals of the market. The market economy cannot function without their free shaping.

In connection with this, tax legislation should be changed in such a way that framework conditions for rapid enterprise foundation are created by means of favorable start-up tax rates for smaller and medium-sized enterprises, and by means of favorable start-up tax rates for investors from home and abroad.

The abolition of the levy system of product-linked levies and subsides including the contribution to social funds should be linked with this step by step.

It is our aim to create around 500,000 job vacancies in 1990 in the medium-sized area. We intend thereby to create a balance in the job market for jobs which cannot be maintained for urgent reasons of efficiency or environmental protection.

I would like at this point to make a few basic comments on our future budgetary and financial policy.

The task of the government in drawing up and implementing the state budget for 1990 is sustained by the necessary stabilization of the state finances and the requirements of overall economic balance.

A more concrete statement will only be possible once the new government submits a full initial assessment of the financial and economic situation. We will strive to make information available to the public as soon as possible and to draw the necessary conclusions. At this stage I can only say: The current estimate for the 1990 budget is to be brought into line with the conditions of the social market economy. A high degree of efficiency in the economy for stable revenue as well as the economic and economical management of expenditure are essential requirements for the balancing, as far as possible, of the 1990 budget. In spite of the economical budgeting which we intend to pursue, limited borrowing cannot be avoided.

All ministers and chairmen of the area [bezirk] councils are involved in the responsibility to raise, in good time and in full, the income from taxes and other levies which the state is entitled. This relates also to tasks such as the switch over of the joint stock companies to taxation, and the setting and the collection of the taxes by the tax authorities that are to be created. The tax system as a whole must take into account the initiatives and the competitiveness of enterpreneurial activity.

For 1990 the republic's state budget will ensure that financial needs anticipated in the wake of severe economic measures will be covered by the redistribution of income between the areas and the communes. The sovereignty of the communes in budgeting is largely established.

The estimate for the 1990 budget assumes that the social provision and care payments from the state to the people will be financially protected.

The work in the relevant ministry is directed, in agreement with the Federal Finance Ministry, toward the legal alignment with the Federal Republic. The principles of the budget law, the budget regulations and the Federal German tax law, in particular the sales and excise taxes, are to be given priority.

These tasks are to be fulfilled in such a way that the necessary requirements for the introduction of the currency union are taken into account.

Our citizens understandably have high expectations of our energy and environment policy. In the energy policy we are pursuing the goal of an environment-friendly and efficient production and consumption of energy.

We start from the position that the production of energy from raw lignite must be drastically reduced in the coming years in order to markedly reduce the high air pollution caused by intensely sulphurous raw lignite from GDR sources and in order to limit the further destruction of valuable cultural assets and of the countryside by colossal mining of coal. We will have to resort more to the use of more environmentally friendly energy sources such as oil, hard coal, and natural gas. A main area in the reconstruction of the lignite power stations is the desulphurization of the fumes and the increasing of efficiency in the production of energy.

The GDR alone cannot solve these problems, which arise from the necessary provision of sufficient energy sources. We therefore are relying on a rapid energy link with the Federal Republic in order to use the capacity reserves available there.

We assume that we may not do without the use of nuclear energy in the foreseeable future. The reports will have the final word on this matter. Following the findings, we will have to bring the existing nuclear power

stations up to internationally valid safety standards by means of reconstruction and modernization.

As our economic strength increases, the possibilities for financing the environmental protection measures, which are not cheap, will grow. Research and economic use of alternative energy sources are also among these.

We will give tax favors for the introduction of environmentally friendly technology. The forthcoming structural change in the economy must and will lead to production which is environmentally friendly, low in waste products, and in tune with the market. New industrial plants will however have to fully comply with EC standards.

A main area is the working out of renovation and closure programs for old industrial and communal plants with heavy, and untenable environmental pollution. Special attention and support applies to the rechannelling of released manpower into other important areas, in particular into infrastructure, trade and services, and into the construction system.

Our quality of life may be decisively improved through the construction of a high-performance environmental industry. Many new jobs would arise thereby.

The government will take suitable measures to stimulate care with regard to natural resources, recycling, and production geared to recycling.

We will work out legal regulations on progressively staged levies for emissions of damaging substances into water, air, and soil and other environmental harm, and introduce the formation of a state eco-fund from levies, charges, and foundations to support measures to improve the environment and to protect nature, in particular for unforeseeable ecological consequential measures and the clearing up of waste material.

This requries:

—Effective environmental protection legislation corresponding to international standards;
—Comprehensive state environment protection and control;
—A legally binding town and country planning setup, to ensure the protection of land, agriculture, and nature with local, regional, and national coordination;
—State promotion of environmental research.

The complicated economic situation in our country is also reflected in an underdeveloped infrastructure, especially in the area of transport, posts, and telecommunications and in construction.

The development of an efficient transport system is one of the basic conditions for the development of a market economy, for economic growth, and for the country's prosperity. We need goods traffic that is directed toward the requirements of our developing economy and which promotes growth together into a German economic community. For passenger traffic we need means of transport and travel links which take account of the travel needs of the people of our country and of the increased demands on the quality of the means of travel. This applies to both the German Reichsbahn and motor vehicles. Efficient traffic routes are a basis for the lasting overcoming of the division of Germany and for a growing together in the whole of Europe.

We want to link the opportunities of the market economy in the most lasting way with the revival of urban construction and architecture. The local authorities must have the right to extensively determine themselves, what is built in their territories. The promotion of urban and housing construction, including guaranteeing their financing, is among the priorities of government policy. In collaboration with the future laender and the local authorities, this supports urban and village renewal as help to self-help. The repair, maintenance, and preservation of historic urban features that are so valued in the European cultural area are urgent. Equally, the government will address the revitalization of the residential areas built during the past decades.

In accordance with the wishes of the government citizens' initiatives, the responsibility of the laender and legislative, sovereign-rights based actions by the state should be reflected in truly democratic construction ethics and in a social and ecologically orientated development of the regions, towns, and villages.

The government is aware of the difficulty of this task, which requires enormous resources and creative forces. It will encourage the economic capacity necessary for this through a comprehensive promotion of the entrepreneurial initiatives of the construction trade, and utilize all the instruments of environmental planning.

Great efforts will be needed to produce the required construction for the expansion and modernization of the technical and social infrastructure and industry and for housing and communal facilities, including church buildings.

The government stands by its social responsibility for the safeguarding of appropriate housing conditions for all citizens. This demands a housing policy which guarantees the right to publicly assisted rent and tenant protection as well as the guaranteeing, renewal, and expansion of the housing stock. Price fixing for living space, which is dependent on the overall development in income, is indispensable. The socially disadvantaged will receive housing support. Protection against being given notice to quit for tenants is part of the social principles of the coalition.

In a social market economy, living space is not merely a matter of supply. The enhancement of value in private initiatives must be made possible through property formation [eigentumsbildung]. This benefits both value retention and lifestyle. As is known, we need to catch up in both fields.

With regard to the postal and telecommunications sector I would only like to state the following: The time when people have to wait 16 years for a telephone are to vanish. [applause] We want to build up an efficient, quick, and reliable system which safeguards business and private communications through letters, telephone, and modern methods of communication, and thereby prepare for postal union with the Federal Republic.

The aim of the government is to create a broadly-based, structured, efficient, and ecologically-oriented agricultural and forestry industry in our country.

In this connection we must very quickly solve the following problems: first, the outstanding problems in connection with landed property in the agricultural and forestry industry. On behalf of the government I would like to state here: The results of the land reform on GDR territory are not up for grabs. However, we proceed on the basis that in future all forms of ownership must be put on an equal footing.

A totally new land law will safeguard the disposability of landed property while taking into account the general good of the people and excluding scope for speculation.

Second, it is our duty to gradually bring our agriculture into the EC agricultural market. For this we need all kinds of protective measures for a transitional period of several years. It is important to maintain our agriculture and to establish as soon as possible the competitiveness of agricultural enterprises. We must regulate the relationship between production and sales by means of the Council of Ministers creating the relevant framework conditions for this. This includes:

—A system of new agricultural prices and taxes with gradual transition to free pricing;
—The safeguarding of the interests of GDR agriculture in future quota settlements;
—The swift renewal of agricultural-technical equipment,
—The gradual introduction of EC environmental standards in our agriculture, and
—The accelerated development and promotion of trade and industry for the processing and refinement of agricultural products in the rural area.

Third, our government will submit a new cooperative law for the promotion of cooperative enterprises and establishments. Here the property law relations between the cooperative members and the cooperatives must be settled.

Fourth, we are also concerned about the forests. In addition to the settlement of many unresolved questions in connection with property, we are dealing with a completely new attitude towards the forests. Its ecological and environmental ecology strategy benefits take priority over the exploitation of wood.

Ladies and gentlemen, an economy is not an end in itself, but a means to secure the living requirements of the people, to facilitate the development of the people and to promote the implementation of human values.

The promotion of labor and the creation of jobs, in particular for women, single parents, parents of large families, and the disabled, is the goal of our government policy.

To combat the anticipated unemployment we need the following immediate measures:

—Retraining and qualification of workers;
—Setting up of efficient employment offices;
—Financial support for the unemployed, and
—Protection of workers by a law on protection against wrongful dismissal, a law on regulations governing industrial relations, and a collective agreement law.

We must devote attention primarily to those who, for reasons beyond their control, cannot support themselves.

We must support those who are the weak of society. We must ensure that the fruits of joint labor are distributed fairly, and we must ensure that those who bear burdens also receive relief. In a society in which the play of free forces can develop, it is important that the strongest force, i.e. the state, become the champion of the weaker. This cannot only be the allocation of material aid, for example to the disabled; we should also see that the legal framework conditions are created so that, rather than charity being handed out, claimable entitlements are developed.

I want to talk at this point about unborn life. We all know that the decisions are a burden for women and men, and both partners are responsible, although many men are, apparently, not at all clear on this. But we also know the bad state of affairs brought about by a decision against life. We need more decisions in favor of life. We need economic and spiritual supports which make it easier, especially for women, to decide in favor of life and encourage them to do so. [applause]

Social support and protection for single parents must be strengthened, and I point out in this connection that parental care of children is an obligation for both mothers and fathers, in equal measure. However, it is not only single parents, but also many married couples and stable partners, who are facing problems, because there has in the past been inadequate moral and financial encouragement for the family.

What we need is a comprehensive supply of child-care facilities and a harmonization of time spent at work and with the family which benefits the family, and especially the children. Therefore, we need more flexible and shorter working hours and more part-time work. But we also want to help those who devote themselves totally for a period to raising children, to a disabled child, or to caring for their own parents. [applause] We shall help these men and women, so that they can find their place in working life again after the upbringing or care phase.

The government's aim is for such phases to be compensated for financially, and credited to pensionable service. [applause]

Distribution of burdens in this society—and that means in the family, too—is often unequal. If the basic value of equality is to be made tangible, then it is not enough for so many women to go out to work and derive greater self-confidence from it, but our women must also have equal promotion opportunities, equal pay, and equal chances in all professions. It must not be left to women themselves to implement equality at work. To achieve equality for women at work and in society, we will appoint commissioners at all social levels, meaning the local districts, the laender and the Council of Ministers, to see to it that equality is also made reality in everyday life by enterprises and administrative bodies. [applause]

We need social security systems that protect the citizens from material need when they are unemployed, sick, and old. We do not however need just one benefactor, regardless of whether he is called FDBG [Free German Trade Union Federation] or whatever. The centralist administration of social insurance by the FDGB does not correspond to the requirements of a democratic social state. A new organization is necessary [applause]

—Social insurance must be separated from the FDGB and state insurance;
—Health insurance, pensions insurance, and accident insurance are to be separate in future;
—A neutral institution should be created for all tasks associated with health insurance.

We all, after all, pay our contributions and therefore have a legal claim to the benefits. There will in future be self-administered, separate health, accident, unemployment, and pensions insurances.

Ladies and gentlemen!

The crisis situation in our health system is well known. We need more doctors, more nurses and nursing staff. We need medical aid for the disabled and the old and a new set up in medical rehabilitation. We must improve the medical equipment in the hospitals and reconstruct many hospitals, many nursing homes, and old people's homes. Steps must also be taken for a marked improvement of their social and economic-technical infrastructure.

It is sensible to maintain the developed system of polyclinics and establishments of the health system for factories, as well as to secure freedoms of settlement for specialist doctors.

In connection with health, special importance is assigned to sport. We want to leave behind the one-sided promotion of performance sport and turn towards an increased promotion of popular sport and disabled sport. [applause]

In this matter, the free choice of sports activity must be possible. For this reason we will support the communes in questions of the regional development of sport. That does not however exclude special promotion of performance sports.

We should work, together with the Federal Republic of Germany, toward sending an all-German team to the Barcelona Olympic Games in 1992. With all our heart we support the idea of holding the Olympic Games within the next 10 years in Berlin, the future capital of Germany. [applause] This would be a sign, visible far and wide, of its newly gained function as a link between the peoples in East and West.

We are inheriting a catastrophe from Socialist Unity Party of Germany rule in the education system as well. Great problems and errors have mounted up in recent years in particular.

It is important to scrap the bureaucratic-centralist system of state management and to achieve a balanced relationship between state responsibility and social initiative. The principle of uniformity cemented over the past decades must be replaced by a differentiated and flexible education system which does not rule out alternative models. The government sets itself the aim of creating, through structural changes, the freedom in which a responsible form of cooperation among all those active in the education sector can develop.

The command structure must be replaced by transparent decision-making processes. For the secondary schools this requires legally-grounded forms in which the parents' rights and obligations in the upbringing of their children, the specialist and pedagogic authority of a competent teaching profession, and the partnerlike orientation of children and young people to responsible actions mutually complement each other.

This is also related to the special school system, which also requires special encouragement and attention in many areas.

In the run-up to school, the continuing existence of the pre-school sphere must be safeguarded through the joint efforts of all involved state instances and social forces, and its pedagogic importance must be further developed.

The technical and vocational training following on from secondary education must correspond much more closely with the actual diversity of workplace demands in terms of duration, form, and structuring.

Higher education requires a legal framework which safeguards the degree of common ground and agreement that lies in the interests of research, teaching and study, but at the same time guarantees universities and higher education a high degree of social self-responsibility. Management and decision-making groups must make possible the legitimate participation of the various groups of persons employed in universities and colleges. Here careful attention must be paid on the one hand to the special responsibility and expertise of the teaching body

and on the other hand to the vital interest of students in valuable and useful knowledge and skills.

The freedom of teaching and research and competition in ideas and quality are vital aspects of academic life.

Research and technology policy has the following aims: to save resources and preserve the environment; to improve living conditions; to promote competitiveness; and to deepen human knowledge.

It is the task of the state to safeguard the legal framework and financial foundations for the sciences, whereby the promotion of research should also be a concern of the economy.

Fundamentally, however, the state has to provide the financing of basic research at state scientific institutions.

Not the least of the government's concerns is for the living conditions of pupils, apprentices, and students and their job prospects. We want open youth work as an expression of the pluralistic society. Youth organizations which are starting up must receive opportunities to work. It must be ensured here that state youth facilities now existing remain available for youth work. [applause]

In the cultural field we shall pursue a policy which guarantees unobstructed cultural and artistic activity, freed from all regimentation, and opens itself to all the spiritual treasures of our people, Europe, and the world. The government regards it as its duty to protect and promote culture and art. It recognises the need to subsidise culture and art. [applause] To support cultural tasks of supraregional significance, we propose a central cultural fund through an all-German cultural foundation. The government will create the prerequisites for the decentralization and federalization of culture and cultural policy, and prepare a structure for the cultural sovereignty of the laender. The government will see to it that those engaged in culture and art are tied into a differentiated network of social measures. We will guarantee the protection of copyright for works of art, maintain the insurance system for those engaged in culture, and work toward tax legislation that favors the arts.

The contrast between the claim and the reality was probably nowhere so blatant in the past as in our media. The new government declares: The press, radio and television are free. [applause] A democratic order assumes independent media and competition among opinions. However, the abandonment of the old Socialist Unity Party of Germany monopoly of information and opinion and the turn toward a pluralistic media structure must neither be left to run under its own steam nor be exposed to the danger of new monopolistic formations. [applause] By establishing a ministry for media policy, the government wants to help to bring differing aspirations together and pave the way to free and diverse media. The elaboration of a media law is to be concluded soon, taking account of subsequent powers of the laender. Until it is passed, we propose to the People's Chamber the renewal of the mandate of the media control council.

In view of the pressure of competition from FRG publishing media it appears necessary to issue cartel stipulations as soon as possible. A decree on fees for radio and television is equally urgent.

Madam President, Esteemed Deputies,

I am personally concerned in particular with the state under the rule of law. The legal system hitherto essentially served the safeguarding of existing power structures and ensured that all opposition activity was criminalized and nipped in the bud. Thousands of citizens personally experienced the relentlessness and harshness with which this was carried out.

The rehabilitation of citizens who were persecuted by means of the criminal law and who were disadvantaged in their jobs or unjustly suffered other disadvantages will have to be an essential aim of our legal policy.

The government will ensure the judidical system will be restructured according to principles of the state under the rule of law and that the principle of the division of powers will be implemented.

In particular, we regard the following measures as necessary:

1. formation of a constitutional court,
2. gradual creation of separate administrative, labor and social courts, initially in the framework of ordinary jurisdiction,
3. transformation of contractual courts into ordinary courts,
4. integration of the military courts as well as military state lawyers into civilian justice,
5. strengthening of the legal profession.

Regarding the safeguarding persons and data protection we will model ourselves on the relevant laws of the Federal Republic. We will submit to parliament the proposal to appoint a data protection representative.

In the future there will no longer be any secret police in our country. A constitutional protection authority, this too, is a lesson from the past, must not receive any police or criminal procedural responsibilities.

The members of the German People's Police must do everything in their power to ensure they carry out their tasks together with the citizens for the common good, for the freedom and dignity of the citizens.

Loyalty to the government and the law, as well as being oriented toward basic and human rights, and a way of working which is close to the people are the main points of democratic renewal.

The People's Police is a civilian law and order force. It is only allowed to work on the basis of the law and to the

benefit of the whole of society. It is subject to public and parliamentary control. [applause]

Members of the Interior Ministry bodies, who perform their duties for the public mainly in public, must credibly embody democratic renewal and the state based on the rule of law by their attitude and actions.

With the introduction of Laender, responsibility for the police will rest mainly with the Laender. This offers fresh and more favorable conditions for the acceptance and efficiency of the police. The closer the police are linked to the public the better they can perform their social task with true closeness to the people and in the interests of the common good.

A further condition is necessary for democracy besides the state based on the rule of law: decentralization of power. Up till now power has emanated from Berlin. The decisions were made in Berlin. Starting from the assumption that the bezirk [area] assemblies will be the only representative bodies which have not emerged from a free, fair and secret ballot, and thus their composition will not correspond to the actual constellation of political forces in the respective regions after the election of democratically legitimated representative bodies at the level of districts, towns and communities on 6 May 1990, the People's Chamber Presidium should recommend to the Bezirk assemblies that they end their legislative period after the local elections. [applause]

In the interests of the country's governability we will work toward the Bezirk governments only functioning as administrative bodies until the formation of Laender as a link in the sense of an administrative agent.

We will decentralize power. There will be Laender again in 1991. The elections for these are to take place in the late autumn of this year. [applause]

The Laender structure is a basic condition for German unity and democracy as well as a condition for the successful restructuring of our economy.

Economic and tax reform must precede the laender reform as the self-financing of the Laender, taking into account the redistribution of finances, is, besides historical and cultural factors, a cornerstone of federalism.

For the development of local self-administration, work is being carried out at present on a local constitution and law on the introduction of Laender. Each Land should be able to determine what is to happen in the Land, including the choice of the regional capital. In the GDR we have a range of unresolved territorial questions, some of which must be settled before the formation of the Laender. The people in the areas affected must be given a chance to express their views on this. Almost 2,000 letters containing proposals, and gatherings of signatures from whole districts must be taken into account.

I will move on to the last main point of my government statement. Our future lies in the unity of Germany within an undivided peaceful Europe. We in the government are responsible for 16 million citizens and this will determine the actions of the government. All Germans have a common history, which only appeared to be broken off at the end of the Second World War through the division of Europe. Both German governments are agreed that the goal of the negotiations cannot be a business partnership, but a genuine community. This will determine the spirit of the negotiations; unification must arise from the wishes of the people, not from the interests of governments. Germany lies in the heart of Europe, but it can never again seek to become the power center of Europe.

We do not want to sit between the stools of the peoples of Europe, but to be a pillar for a bridge of understanding. Germany must be a factor of peace. The unification of Germany should reinforce stability in Europe and promote the creation of a pan-European order of peace, democracy, and cooperation. We want to bring into the German unity our experiences of the significance of an internal peace within society. We know that we must first of all come to terms with our history. There can no longer be one part which was guilty of everything and the other part which had allegedly preserved its innocence in history. We, too, have acknowledged our shared responsibility for the crimes of national socialism. The unity of Germany should strengthen the community of Europeans. The main prerequisite for this is the guarantee of the borders in Europe. This is also important for enabling our neighbors to feel secure regarding their borders with Germany. Recognition of the Polish western border, binding under international law, as set out in the Goerlitz Treaty of the GDR with Poland and the Warsaw Treaty of the FRG with Poland, is indispensable.

Upon completion of the unification of the two German states, the future German constitution should, among other things, no longer contain article 23 of the basic law. Germany has no territorial claims against other states and will not make any in future either. [applause]

Unification has become possible in connection with worldwide detente and the end of the East-West conflict. The division was an expression of that conflict. Detente is marked by human rights and disarmament. In this phase of detente policy, defense policy and disarmament policy are inseparably linked to one another. On this point too, we are mindful of the roots of the democratic renewal in our country; an essential foundation of this renewal is the peace movement. It is the task of the GDR Government to pursue a policy which promotes a process of replacing the military alliances by means of alliance-transcending structures, as the beginning of a pan-European security system. A European security system with fewer and fewer military functions is our aim in negotiations there. We regard the extension of the concept of security to cover the fields of the economy, the environment, culture, science and technology as a requirement of our times. A greatly reduced National People's Army, with a strictly defensive orientation,

whose task is the defense of the present territory of the GDR, will be located on that territory, alongside the Soviet Armed Forces, for a transitional period.

Loyalty toward the Warsaw Pact organization will, for us, be expressed in our constant consideration in the negotiations for the security interests of the Soviet Union and the other Warsaw Pact states.

The GDR Government seeks a drastic reduction in all German armed forces. [applause] The GDR renounces the production, transfer, possession and deployment of atomic, biological, and chemical weapons, and seeks the same in the united Germany. [applause] It also advocates a global ban on chemical weapons before the end of this year. The nuclear disarmament process must be continued. We hope for a positive conclusion before the end of this year to the START negotiations on a 50 percent reduction in strategic nuclear weapons between the Soviet Union and the United States.

An order of peace and security in Europe can create preconditions for the removal of the rights of the Second World War allies over Berlin and Germany as a whole.

The GDR Government supports this rescinding of the rights of the allies taking place within the framework of the two plus four talks, [words indistinct] within the entire framework of the CSCE process for the creation of a pan-European peace order. The CSCE has particular importance for us. In particular the GDR Government supports the idea that a CSCE security agency be created for verifying disarmament and restructuring agreements. [word indistinct] for a CSCE body for settling disputes and for the formation of a permanent joint council of foreign and defense ministers.

The GDR Government intends to take on an advanced role in the disarmament process. We will introduce immediate measures in order to first limit the production of weapons of war and the export of weapons, and to halt them completely in the foreseeable future. [applause] Arms exports to crisis areas must generally stop. We will introduce a restructuring of the People's Army and a step-by-step dismantling of the GDR's military obligations. Political cooperation within the framework of the Warsaw Pact however, should be intensified. In this matter the government will very soon be in contact with the governments of the Warsaw Pact states.

The GDR intends to develop and deepen its particular connections with the peoples of East Europe in the economic, political and cultural area. Connections with the EC will play an important role in this. The GDR Government would welcome a swift, step-by-step extension of the EC. [applause]

The creation of the unity of Germany is linked to the promotion of human rights. The new patriotism should therefore be an expression that we are committed to basic and human rights, for this reason we will join the European convention on human rights, we will also seek GDR participation in the discussions of the European Council. [applause] Until the unification of Germany, the GDR Government will negotiate on the extension of the EC to the present GDR. It will thereby be our aim to achieve the setting of timescales until the complete adoption of the treaty obligations and rights. This is important in particular for our agriculture, tax system and the area of social and ecological [word indistinct].

For the existing foreign trade commitments of the GDR, in particular with the Soviet Union, solutions must be found to ensure that the GDR honors its obligations, solutions which contribute above all to stabilizing and strengthening relations in Central and East Europe. I would like to stress this here once again: Our foreign trade commitments with the Soviet Union will be strictly adhered to, and will apply in a united Germany in the spirit of honoring obligations.

A united Germany must promote the process of peace and understanding in the world. An appropriate means for this is the consultaitons in the framework of European political cooperation. We will apply to participate in these consultations in the future. We hope to contribute to a peace process in the Middle East which takes into account the right to self-determination of all peoples living there.

The ending of the East-West conflict is making visible progress. This obliges us to devote full attention to the North-South conflict. Of course we have problems, but they are small in comparison to the concerns and needs of the people in the developing countries. We feel solidarity with the people in the Third World and hope for cooperation in partnership with one another.

In view of the events behind us, it is of particular importance to us to support the message of social justice and democracy also in those countries with which we have already experienced cooperation. Therefore we accord priority to economic, medical, and social projects. The economic cooperation of the GDR will develop throughout the world in increasing cooperation with similar projects and positions of the Federal Republic of Germany. Parallel to the unification process of the two states in Germany, there will be a fusion of the German-German commitment in the countries of the Third World. Our long-term goal must be a just world economic order which guarantees to all people an economic future and a social perspective.

Ladies and gentlemen, the program of this government of the democratic center is a demanding one. We know that we have a difficult path ahead of us. No government can perform wonders, but we will do all in our power. If we recognize what is within our power and effect it gradually with calm and circumspection, then we can lay the foundations for a better future for the people in our country. In this we are building on the support, the courage, and the energy of all citizens. Thank you.

Third Session of People's Chamber Ends

LD1904130390 East Berlin ADN International Service in German 1039 GMT 19 Apr 90

[Text] Berlin (ADN)—The third session of the newly elected GDR People's Chamber ended after approximately two-and-a-half hours. Just after 1230 [1130 GMT], Dr. Sabine Bergmann-Pohl, president of the People's Chamber, closed the session, referring to the fourth session, which will start tomorrow at 0900 with the debate on Prime Minister Lothar de Maiziere's government statement.

In the discussion of the draft constitution presented by the roundtable, representatives of all parliamentary groups took the floor and expressed differing opinions on the reasoning behind a new constitution, considering the imminent unification of the two German states and the contents of the draft constitution.

De Maziere on Time Frame for State Treaty

LD1904214990 East Berlin ADN International Service in German 2049 GMT 19 Apr 90

[Text] Berlin (ADN)—The state treaty between the GDR and the FRG should not only be concluded but significant parts of it should be put into effect by the summer. GDR Prime Minister Lothar de Maiziere put forward this opinion this evening in an interview with German Television. This was also the expectation of the GDR's people, the politician said in response to a question about his expectations for the new cabinet's first 100 days. It was just as important to him that by that date the two plus four talks would have "made good progress" with a view to the disarmament talks expected in Vienna this autumn.

In response to a question about a united Germany being a member of NATO, De Maiziere stressed that it was necessary to think about the disbandment or new formation of the security systems with the aim of achieving a pan-European security system. The prime minister said on the subject of what harmonizing formula would be found for the discrepancy between the somewhat slower European process and the somewhat faster moving German-German process: "That will be the subject of negotiations, namely those which have to be under two plus four. I do not think it is wise to stake anything out before the start of such talks."

He did not want "to describe the talks' room for maneuver or even a final result or an aim." The more they are successful in regarding the legitimate security interests of all the nations of Europe, including those of the Soviet Union, the sooner this problem could be solved, the prime minister said.

Romberg on Monetary Union, Debts, New Laws

AU2004083790 Duesseldorf HANDELSBLATT in German 19 Apr 90 p 4

[Report on interview with Finance Minister Walter Romberg by Frank Matthias Drost in East Berlin on 18 April: "Romberg Believes Total Debt Relief of GDR Enterprises Not Necessary"]

[Text] New GDR Finance Minister Walter Romberg wants to use all the possibilities of tax legislation to increase the readiness to invest. However, the state budget should not be excessively weakened. Following "day X" of monetary union, Romberg is considering protective measures for certain industries such as food, luxury foods, textiles, chemicals, and precision mechanics. He said that apart from certain exceptions, total debt relief for enterprises is not necessary.

Romberg might become the strong man in De Maiziere's cabinet: All coalition agreements are expressly subject to the availability of funds. "A whole lot will depend on how one deals with the available financial means and where one can make cuts," Romberg confirmed in a talk with HANDELSBLATT.

As far as foreign debts are concerned, the minister of the Social Democratic Party of Germany [SPD] referred to figures of the State Bank. Thus, the GDR's net debts toward the West amount to $18.5 billion. The budget deficit amounts to 16 billion marks. However, this is only a "rough calculation."

Although the state budget is facing increasing earnings problems ("There are enterprises with poor paying habits"), one cannot speak of insolvency: "This is a bad rumor," Romberg said in this connection. As far as he knows there is no reason to dramatize the situation. Interest and debts are being paid back, and no new money is printed. However, he cannot provide any binding information as far as foreign debts are concerned, Romberg said.

According to Romberg, it is important to get a reasonable picture of the state budget. The structure of the GDR budget is completely different from that of the FRG. Although a 243 billion marks the debts of the state enterprises are enormous, these would not figure on the negative side in an FRG budget, because in a market economy it is primarily the private economy that makes investments. Another fact is that, unlike in the FRG, the communities do not have any debts. When will enterprises pay taxes instead of rates? Romberg said that currently one was working on the "complicated transition situation." The only thing that is so far clear is that the small- and medium-sized enterprises that are still subject to the old tax system will have to be converted immediately after "day X." As far as major enterprises are concerned, this transition will have to take place gradually with due consideration for the state budget. It is conceivable that, for example, parts of the "fees for

social funds," a sort of payroll tax, can be used for financing the social security system.

Despite the planned continual transition from a rates system to a tax system, Romberg regards as indispensable that the FRG provide "stimulating funds" until—at most—the difference in economic efficiency is equalized. Equalizing inner-German finances should be established or at least "sufficiently guaranteed by the state treaty."

"Both sides fail to sufficiently comprehend that we must make provisions for the GDR industry on 'day X'," Romberg said. The collapse of enterprises should be prevented in many cases through protective measures and financial benefits. Saving jobs will play an essential role in the transition period. Decisions will not be exclusively based on the level of labor productivity of the individual enterprises. Apart from direct financial aid one is also thinking of tax advantages, credits with low interest rates, and other trade-political measures. Romberg pointed to similar protective measures for the Saarland, when it was incorporated into the FRG.

The SPD minister reiterated that salaries should be converted 1:1 once monetary union is concluded. Prior to that, wages should be increased by rescheduling subsidies for products and services. Romberg said that he finds Lambsdorff's proposal not very useful, namely to dispense with any regulation on conversion rates for wages and salaries under the State Treaty and, instead, to convert them according to productivity, and to compensate for the loss in purchasing power through subsidies.

Romberg said that although it would make sense to spread the total burden of the conversion over the market, these measures would not be sufficient for this unprecedented process in economic history. Since the GDR will continue to be a low-wage country even after the 1:1 conversion, there will still be incentives for investors, Minister Romberg said.

As far as the conversion of the debts of enterprises is concerned, Romberg suggested a rate ranging from 1:2 to 1:2.5, depending on the line of industry and certain efficiency criteria. Apart from certain exceptions, he said that total tax relief for enterprises is not necessary. After all, enterprises without any debts are the exception even in the West. Romberg is aware of the fact that, following monetary union, the interest rate must be increased for the remaining debts.

The debts of the state-owned housing economy (which the State Bank put at 107 billion marks) must be regarded separately. One must closely examine the gradual reduction of subsidies and thus of linking rents to incomes.

The finance minister made it quite clear that the whole tax law must be revised. "This will keep us busy till the end of the year." Nevertheless, on "day X" we must have rich tax sources that can be tapped. In particular, Romberg is thinking of value-added and excise taxes.

The GDR tax system will differ from the FRG system in a few points. "All possibilities of tax legislation must be utilized to increase the readiness to invest," Romberg emphasized. Out of consideration for the FRG, the GDR state budget should not be weakened too much by making tax concessions. "The state budget should be financed by us as widely as possible," Romberg said.

The establishment of the financial administration is fully under way. In the future there should be at least 170 tax offices. The training of staff has already been initiated with the help of the FRG, Romberg stated.

The coalition agreement, according to which for a transition period of 10 years, natural persons and legal entities that are not registered in the GDR at a certain key date, should only be granted hereditary tenancy rights, including the right of preemption in respect of realty, is not regarded as preventing investments, the finance minister said. Other Western countries apply similar restrictions, he said. Romberg emphasized that this stipulation is of great importance for the self-knowledge of the country.

Asked about the potential for cuts in the state budget, the minister noted that the more than 50 billion marks that are allotted to price, rent, and rates subsidies will most likely not fall under this category. Part of the subsidies will go to wages and can only be reduced gradually (transport, prices in the catering sector). "We will be able to make rapid and extensive cuts in the defense budget," Romberg said. The minister for disarmament and defense, Rainer Eppelmann, has pleaded for the reduction of the GDR Armed Forces from 170,000 to 100,000. It will also be possible to considerably reduce the budget for protecting the state border, Romberg said.

Romberg noted that he wants to meet his colleague Theo Waigel as soon as possible. Waigel had wished him good luck and much success in a telegram on his first day as minister, Minister Romberg concluded.

Production Declines in 1st Quarter 1990

AU2004120890 East Berlin NEUES DEUTSCHLAND in German 19 Apr 90 p 1

[ND report: "Report by the Statistical Office for the First Quarter of 1990: Production Declined, but More Slowly"]

[Text] East Berlin—The production per workday in industry was 4.7 percent lower in the first quarter of 1990 than in the same period last year. Thus, the development during the first three months of the year was by no means satisfactory. However, there is a small ray of hope. The decline in March, when compared with that in the same month last year, was smaller than the decline in the months of January and February when those two months were compared to the same months last year. The rise in the level of production that was noted in February is continuing.

This was announced at a news conference on Wednesday [18 March] by the president of the GDR Statistical Office, Arno Donda. As reasons for the drop in production when compared with last year he cited a reduction in the labor force—the number of persons employed in industry dropped by 124,000 from March last year. Disruption in cooperation, the closure of some production facilities, and bottlenecks of certain materials.

In foreign trade, a total export surplus of 2.26 billion marks [M] was achieved in the first quarter of 1990. This results from an export surplus with CEMA states and other countries amounting to M2.44 billion and an trade deficit with Western industrialized countries and developing countries amounting to M184 million. A certain slackness is to be observed in the retail trade sector, turnover having declined noticeably. At the end of February, the growth rate of industrial goods stood at 14.3 percent, while at the end of March, the growth rate had dropped to 9.4 percent. This was partly caused by producers of consumer goods supplying fewer goods to the market. In addition, people tended not to spend a great deal of money because prices, for technical consumer goods for example, are expected to drop once monetary union is established.

The report of the Statistical Office shows that 81,212 citizens registered at the labor offices seeking work. This is 34,064 more than in February. Over 50 percent of them were without jobs. A total of 38,313 persons were registered as unemployed by the end of March.

Democratic Awakening Congress Set for 22 Apr

LD1904201490 Hamburg DPA in German 1548 GMT 19 Apr 90

[Text] East Berlin (DPA)—Democratic Awakening (DA) has convened its party congress for this coming Sunday (April 22) in Schwerin. A new chairman is to be elected at the party congress. At present the new minister for disarmament and defense, Rainer Eppelmann, is leading the party temporarily after the elected chairman, Wolfgang Schnur, had to relinquish office because of his collaboration with the Stasi. The party's press office announced today that the party congress is at the same time to be the election party congress for the local elections on May 6th.

CDU, DA To Form New Parliamentary Group

LD1904200290 Hamburg DPA in German 1522 GMT 19 Apr 90

[Text] East Berlin (DPA)—The GDR Christian Democratic Union [CDU] and Democratic Awakening (DA) have decided to form a parliamentary group in the People's Chamber. The new parliamentary group is to be called CDU/DA, the CDU announced today in East Berlin.

Republicans Barred From Local Elections

AU1904133190 East Berlin NEUES DEUTSCHLAND in German 18 Apr 90 p 1

[ADN report: "Republicans Barred from 6 May Elections"]

[Text] East Berlin—The Presidium of the GDR Electoral Commission confirmed on Tuesday [17 April] that the party of the Republicans will not be allowed to participate in local elections. The reason for this renewed decision was a complaint filed by the Republicans with the East Berlin Electoral Commission.

According to the appeal proceedings, the contested position corresponds to current law. According to the ruling of the constituent and legislative People's Chamber, passed on 5 February, activities of the Republicans are banned in the GDR. "As a result, their party will not be able to participate in elections for the kreis assemblies, city assemblies, and city district assemblies scheduled for 6 May 1990. Since the signatures required for individual candidacy are not on hand, individual candidacy is not possible," the resolution stresses.

The Presidium consists of five independent figures, including the conductor of the Gewandhaus Orchestra, Kurt Masur.

News Conference on Government Policies, Plans

LD1904222290 Budapest Domestic Service in Hungarian 1600 GMT 19 Apr 90

[Excerpts] [Announcer] The fact that the government already knows when its appointment will terminate has been unprecedented for decades. Discussions are already taking place on the distribution of portfolios—that is, on the new government— in private discussions, of course. Now let us listen to the report on the regular Thursday government news briefing. Andras Kerekes reports.

[Kerekes] Following the Soviet troop withdrawals, 55 airfields will be released, 49 of them will be handed over to Hungarian civilian air transport and the remaining 6 are claimed by the Hungarian Army. Eighteen pieces of ex-Workers' Guard real estate will be used immediately. The Army claimed two shooting grounds and the Interior Ministry claimed five shooting grounds, after paying the price of the technical equipment. [passage omitted]

The government believes that the first session of the freely elected National Assembly is such a remarkable event that it gives grounds for a general amnesty by all means. According to assessments, it would concern about 6,300 people.

They studied the plan for the modification of the Law of Defense. Service for conscripts would be reduced to 12 months, that of the reserves would be 10 months, alternative military service would last 18 months, and those concerned could be called in for 4 more months of reserve service. The government proposes a decision on this matter as soon as possible, so that the positive changes would also concern those who join the Army in August.

We learned at the press briefing following the government session that approximately 30 state secretaries and deputy ministers have submitted notice—in their case the concept of resignation is unknown to our legal system. Their individual decision must be accepted. One of them, Deputy Minister of Justice Tamas Sarkoezy, finally outlined the important results so far achieved in the field of deregulation, aimed at cleansing legal rules which previously hamstrung economic life. As a result, as of 1 May especially, there will be a further decrease of some 500 legal rules in our country.

New National Assembly To Meet 2-3 May

LD1904203990 Budapest Domestic Service in Hungarian 1700 GMT 19 Apr 90

[Text] At a further consultation of the parties which achieved parliamentary status, it has been reaffirmed that the Hungarian Democratic Forum should provide the speaker of the new National Assembly, who also would be the interim president of the Republic. The three deputy speakers will be designated by the Alliance of Free Democrats [SZDSZ], the Independent Smallholders Party, and the Hungarian Socialist Party [MSZP].

At the consultation Matyas Szuros, the current interim president of the Republic, announced that the new National Assembly was expected to meet in session on 2 and 3 May. As before, the session will be public, which presumably means that it will be relayed live by television.

The parliamentary parties agreed that sitting in parliament, beginning to the right from the speaker's lectern, would be deputies from the Christian Democratic People's Party, the Democratic Forum, the Independent Smallholders, SzDSz, the Federation of Young Democrats, the MSZP and the independents.

MSZMP Leader Denies Having Arms License

LD1904224290 Budapest Domestic Service in Hungarian 2000 GMT 19 Apr 90

[Text] [Announcer] The Alliance of Free Democrats [SZDSZ] has learned that within the past few days the police granted arms licenses to Gyula Thuermer and other leaders of the Hungarian Socialist Workers Party [MSZMP]. In the view of the alliance, the affair infringes upon the decision of the Constitutional Court with regard to the issuing of licences to carry arms and it also endangers confidence in the peaceful transition as well as the calm of public life.

The SZDSZ requests the Supreme Public Prosecutor to launch an investigation into the affair, which involves the State Police Command and the leaders of the MSZMP. Gyula Thuermer is on the line. Are these allegations true?

[Thuermer] I have received no licenses from the Interior Ministry to carry arms, and as far as I know neither have any of my colleagues.

[Announcer] Are you saying that it was not the Interior Ministry, or are you saying that you did not request it?

[Thuermer] Well, both. [words indistinct] What I am saying, however, is that we did not get it.

[Announcer] Did you request such a permit?

[Thuermer] On the basis of the legal regulations in force, the leaders of parties have the right to request a license to carry arms. Now, in Budapest there is a lot of gossip to do with the fact that allegedly some kind of national guard has come into being, armed, allegedly. And the various members and leaders of the MSZMP are continually receiving personal threats. On the whole, in a West European state, if a few people have weapons for their personal protection, it is considered normal. In no way is it to be seen as preparation for some kind of armed coup. After all, it would be very difficult to carry out an armed coup with three or four pistols. In any case, there is not a single pistol at present in the possession of our party.

Hungary Protests SFRY Currency Restrictions

LD1904152390 Budapest Domestic Service in Hungarian 1300 GMT 19 Apr 90

[Text] In a verbal note Hungary protests the fact that individual Hungarian tourists have to exchange 200 dollars if they want to travel to Yugoslavia. As a further diplomtic move, Imre Szokai, deputy foreign minister, wants to talk with the Yugoslav ambassador in Budapest about the [word indistinct].

Although the compulsory currency exchange will only come into force the day after tomorrow, at the Baranya County border crossing, Yugoslav customs officers were asking for exchange documents today.

More on Foreign Ministry Reaction

LD1904204690 Budapest MTI in English 1841 GMT 19 Apr 90

[Text] Budapest, April 19 (MTI)—Under a recent ruling by the Yugoslav Government, the new regulation requiring citizens of nine European countries, including Hungary, to exchange 200 dollars or the equivalent to dinars when entering Yugoslavia, will come into force on April 21, 1990. The related document was forwarded to the Hungarian Ministry of Foreign Affairs on April 19.

In this regard, the Hungarian Foreign Ministry and its embassy in Belgrade, requested detailed information and an explanation from the relevant Yugoslav authorities, at the same time pointing out the lack of advance information that could be expected on the basis of good-neighbourly relations. The ministry's document says the Hungarian Government objects on grounds of principle to any means of administrative hindering of tourism and links between the population.

The Hungarian side also reminded that the Yugoslav measure also impedes the considerable private tourism from Hungary, including the maintaining of links with their motherland by the Croatian, Serbian, Slovenian ethnic communities living in Hungary.

The measure can hardly be tallied with the principles and aspirations of the quadrilateral cooperation between Hungary, Austria, Yugoslavia and Italy. The Yugoslav move also runs counter to the provisions of the final document passed at the Vienna follow-up meeting of European security and cooperation, and with the aims contained in these documents, namely with item 39 of the chapter dealing with cooperation in economy, sciences, technology and environment protection. In addition it runs counter to the notion set down in item number 11 of the chapter dealing with cooperation in humanitarian and other issues.

The Hungarian side urged for the Yugoslav side to find a way to exempt Hungarian citizens from the obligation to exchange money at the border.

Romanian Refugees Arrive in Increasing Numbers

LD1904134490 Budapest Domestic Service in Hungarian 1000 GMT 19 Apr 90

[Text] The wave of refugees arriving from Romania is increasing. While last month, mainly after the Tirgu Mures events, 1,500 people indicated that they did not want to return to their country, during a two-week period this month, more than 1,600 people have already arrived. There are more and more among them who have two or three professions or high qualifications. They leave their belongings behind and bring the whole family.

It is a new phenomena that from Szekely land [eastern Transylvania] and the area around Sfintu Gheorghe [sepsiszentgyoergy], people are arriving in much larger numbers than before. The Hungarian reception stations are full; therefore, several temporary stations were opened, as, for example, in Obhuda and Tahi.

If the immigration wave continues, it is very likely that the 500 million [forint] resettlement fund allocated for this year will not be enough. There is also another problem that, as signs show, West Europe has put up barriers in front of those who want to travel on to a third country from Hungary.

Lithuanian Deputy Thanks Solidarity for Support

LD1904165590 Warsaw Domestic Service in Polish 1600 GMT 19 Apr 90

[Text] At the second National Congress of the Independent Self-Governing Trade Union Solidarity, which began in Gdansk today, the floor was taken by Czeslaw Opiejczyk as the first of the foreign guests. He is a deputy of the Lithuanian Supreme Soviet and a member of the commission for foreign affairs. We thank you, he said, for the fact that you awakened hope, that you showed the way to freedom, that you won.

Czeslaw Opiejczyk thanked Lech Walesa for the support given to the Lithuanians' aspirations to independence. He also read out a letter from Vytautas Landsbergis in which the chairman of the Lithuanian Supreme Soviet expresses his sincere gratitude for the support and solidarity shown at a time of great difficulty for Lithuania.

Walesa Receives Lithuanian Supreme Soviet Deputy

LD1904192890 Warsaw Domestic Service in Polish 1800 GMT 19 Apr 90

[Text] Lech Walesa has received Czeslaw Okinczyc, a Lithuanian Supreme Soviet deputy, who is a guest at the [Solidarity] Congress. Czeslaw Okinczyc conveyed a letter from Vytautas Landsbergis, in which the chairman of the Supreme Soviet of the Republic of Lithuania expressed hopes for the successful shaping of good-neighborly relations between the Polish Republic and the Republic of Lithuania.

The chairman of the Independent Self-Governing Trade Union Solidarity conveyed to the guest words of support for the Lithuanians' striving for independence, noting that the process of gaining independence for Lithuania should proceed in a peaceful manner and by means of a political dialogue. In Lech Walesa's opinion, attempts at political blackmail and the practice of an economic blockade do not serve these aims well.

Soviet Katyn Admission, Compensation Viewed

AU2004094690 Warsaw ZYCIE WARSZAWY in Polish 19 Apr 90 pp 1, 4

[Wladyslaw Tybura commentary: "Compensation"]

[Text] Katyn—the name has become part of this year's Easter mystery not only as a poignant symbol of suffering, but also as a symbol of the victory of truth. The truth was admitted just before Easter, after 50 years had elapsed since the murder of the Polish officers and after 47 years of false denials in the country in which the act of genocide was committed. It has not altered the fact that this terrible act was committed 50 years ago, nor does it diminish the severity of moral and legal appraisals of it, but that the truth was actually stated—almost everyone knew that truth previously—was moving and brought solace. This also applies to the country whose heroic officers met their martyr's death there and were buried in mass graves—to our own country. The truth, when coupled with an admission of guilt, always alleviates the conscience and has an exculpatory effect.

Has this communique identifying the Soviet authorities and the NKVD [precursor to the KGB] forces subordinate to it as the perpetrators of that crime against the Polish officers moved Soviet society just as deeply? This is an important question for the issue of Katyn. The admission of the truth on the subject—an admission that was waited for too long—will lack that salutary force of moral exculpation if the heirs of the society in whose name the murder was committed do not make Katyn enter their collective memory as a fact that elicits the bitter feeling of guilt and serves as a warning. That is the first and most important requirement for commencing the process whereby that deep wound could be healed and for diminishing that sense of injustice that has been kept alive by the heirs of the victims of the crime that was committed at Katyn more than 50 years ago.

The commencement of such a process would be completely impossible if there were no admission of guilt and the perpetrators of the crime were not identified. However, in the absence of a far-reaching judgment and compensation for the families of the murdered officers, it is not possible for all of Polish society to erect a bridge of reconciliation transcending Katyn in human terms. What kind of compensation could there be? Many prominent Poles expressed their views following the announcement of the communique acknowledging guilt and identifying the perpetrators of the crime. Some, although few, said that the Soviet Union should write off Poland's debts as a form of compensation. I think that these suggestions are wrong. We, society, have no right to turn suffering into some material benefit. There is no price that can be paid for this crime on the level of relations between states. However, there are many sound reasons, including historical ones, for having those debts written off.

What Katyn requires is an unambiguous moral judgment that is clearly seen to be such in Poland from those peoples from whom the perpetrators were drawn. Polish society not only had a right to an admission of guilt: It also has a right to expect a gesture signifying the seeking of forgiveness. This is something that cannot be accomplished by the dry words of an information agency communique. Neither will gestures made by politicians, however high-ranking they may be and regardless of the depth of the sincerity that prompts such gestures, suffice. This is not an expression of megalomania on our part, but the right of a Polish society that has been wronged to see respect shown for its loyal soldiers who died as martyrs.

Committee Statement on TASS Katyn Communique

LD2004005990 Warsaw PAP in English 2215 GMT 19 Apr 90

[Text] Warsaw, April 19—The independent historical committee set up to examine the Katyn crime handed over today to PAP a statement on the TASS communique which confirmed the responsibility of the Soviet NKVD [People's Commissariat for Internal Affairs] for the murdering of the 15,000 Polish officers.

The communique said the statement was the first significant step made by the Soviet Union in order to deny the to-date stance of the Soviet authorities dating back to the years 1943-1944 and prevailing through the entire postwar period. However, its significance has been weakened by putting the responsibility for this crime only on the political police NKVD and personally on Beria and Merkulov. The crime places a burden on the entire Soviet state and surely on the then political leadership with Stalin. This also places a burden on the Red Army, the statement said.

The communique did not name the place of the crime and the place of burial of Polish officers which seemed completely incomprehensible in the light of moral values of civilized nations. The communique also does not say that in the light of this truth, revised and annulled are numerous statements, and international decisions of the Soviet state, starting from April 1943, and especially the breaking off of relations with the Polish legal movement in London, read the statement.

Solidarity Opens 2nd National Congress 19 Apr

Mazowiecki Address

LD1904164190 Warsaw Domestic Service in Polish 1205 GMT 19 Apr 90

[Speech by Premier Tadeusz Mazowiecki at the Solidarity Congress in Gdansk on 19 April—recorded]

[Text] Dear and esteemed delegates to the second national congress of NSZZ [Independent and Self-Governing Trade Union] Solidarity! Distinguished and honored guests! My dear Lech [Walesa]! Dear friends! It is with real emotion that I find myself standing at this podium today. We are here for the second time. Solidarity lives and Poland lives—free and independent! [long applause] With real emotion that it has been ordained by God and willed by the people that I should greet this congress in the name of the Government of the Polish Republic, a government which wants to serve the very same cause: a Poland which is free and independent, a Poland of honest working people, a Poland with a better future.

I greet this congress on behalf of the government and I wish you all, delegates and congress, wise and fruitful debates.

Finally, I stand on this podium with genuine emotion because I am one of you, and I will remain one of you. And this is how I understand [words indistinct] This experience gained among you is a great—the greatest—public experience of my life, and I wish to remain faithful to it. Solidarity, which was born in 1980, was born out of the heritage of those great values of the nation, the nation which has never ceased to be free internally, out of (?those great) values which throughout the years in Poland have been strengthened by Christianity, have been strengthened by the church. It was born from the just social revolt. Solidarity, later pushed aside into nonlegality, toughened in the struggle which continued everywhere possible, Solidarity was brought back to existence with wise and persistent (social) pressure, the new wave of 1988, and then those difficult round-table deliberations.

This Solidarity which won the elections through Solidarity Citizens' Committees, this Solidarity which decisively contributed to the formation of this government and took the responsibility for Poland. This Solidarity today closes this chapter, a great and beautiful chapter in the history of Poland, and opens a new chapter. It is you, delegates gathered here at this congress, who will decide how this second chapter will be written.

I therefore pay homage to that which Solidarity has achieved. I pay homage to all those who present here and to all those who are absent—eminent Solidarity activists. (?The name of) Solidarity will remain for ever linked in Polish history to the name of its leader Lech Walesa. I pay homage to him also. [long applause]

And I wish to turn to you, esteemed delegates, if you will allow, to you who are going to consult together here on the future of the union, with the matter that I consider to be the most important today for Poland, for I believe that it is very important that we should understand (?each other on this).

The first matter is the implementation of our difficult economic program. This program is difficult but the implementation of the program constitutes a great chance for Poland.

It is a great chance for working people, so that work is not wasted anymore, for the country to revive economically. I have in mind here this great and worthy of respect patience, [?needed] by the Polish society which is going through this difficult period. I have in mind our difficult and painful issues, such as unemployment and difficult living conditions. But I also have in mind the first satisfactory results in the shape of stemming inflation, in the shape of goods in the shops, the beginning of changes in the attitude to work. And I also think that in spite of all these difficulties we should not give in to the feeling of fear for the future, but instead we should make sure that there is consistent implementation of this difficult program and (?great chance).

If we stop inflation now, then our task will be to move on to economic transformations, above all by privatization

and enlivement of our economy. This can only be done by a society which has faith in itself. I therefore think that it is necessary for us to have this faith in ourselves, so that with this feeling we can accomplish the task of getting our economy on to the straight road and making it lively. This is a great, first priority task for the nation.

The second matter, which you will no doubt discuss here, is the social policy, the welfare policy. The government is working on the social policy program. I have used an expression in the Sejm: Our state economy should be a social market economy. In the sphere of production (?and exchange) this should be an economy which is ruled by the market, but in the sphere of distribution it should take into consideration the social goals: health, education, and others.

It is necessary for us to achieve such a social policy and social market economy, to achieve mutual understanding as to what, in this difficult situation, should be given priority, above all with regard to social goals. You will advise us on this. I believe that we shall cooperate particularly closely on this task.

The third great task ahead of us, just around the corner, (?is the reconstruction) of the foundations of democracy by self-government elections. This is the application of democracy where it is most needed, where today it is not yet felt well enough. This is a great reform of the state. Let us do everything to build well these strong foundations of democracy by the construction of self-government, by cooperation between the reformed state administration and this self-government. This is the laying down of foundations.

What is needed is further reshaping of the state's structures, the consistent reshaping of state structures: consistent but methodical, particularly in those areas which are most difficult and sensitive. It is precisely the methodical restructuring of state structures which is essential. We have already begun this in the spheres of the Public Prosecutor's Office, the Internal Affairs Ministry, and the National Defense Ministry. We will be doing this consistently but methodically, so that both the stability of the state and today's inadequate, yet essential, security of citizens should be assured.

Finally, in this period in which we live, we face great international tasks which are important for the existence and future of our state. This is a question of the security and (?permanence) of our borders. It is a question of reconciliation, both with the German people and the Russian peoples. It is a question of building the future Europe. It is a question of Poland's role in this future Europe, of the role of a Poland which can and will be significant and weighty if we pick ourselves up economically, if we become a stable and predictable element in the newly-forming Europe, one which is creating this new European order.

This is a great task, a task which, in this particular year, will be an especially responsible one. I believe that the crowning and the implementation of all these tasks should, in my personal opinion, as I have already had the opportunity to say on this subject, be the parliamentary elections in a year's time, in the spring of next year, and perhaps on the 200th anniversary of the May [1791] Constitution, the adoption of a new constitution for our state.

These are great tasks which face us. It is our great common cause. And what is important is that we should build this political pluralism which Poland needs by constructing stable structures, and not to succumb to the temptation of building them on shifting sands; that we should build (?this) political pluralism based on lasting structures, which must mature in a natural way, through the development of such [word indistinct] political and social movements, through maximal but natural intensification.

I believe that in the choice between the temptation of demogogy, and of populism, leading precisely to the loss of the ground beneath our feet, to an exchange of the strong and firm foundation which we have already built for shifting sands; I believe that in the choice between the prospect of these shifting sands and the prospect of going forward with our transformations with iron consistency, the congress of this union, which is the foundation of Poland and its future, will choose the prospect of democratic, iron consistency.

Today, all of us together who have grown from this stem can say that [word indistinct] We have won the struggle against totalitarianism, we will win the fight for democracy. [applause]

Representatives Hold News Conference

LD2004012590 Warsaw PAP in English
2355 GMT 19 Apr 90

[Text] Gdansk, April 19—"We have all grown accustomed to the tremendous political role of the trade union but a time is surfacing of a certain division of roles and a time of Solidarnosc as a trade union movement," stated Michal Boni, the chairman of the Mazowsze chapter of Solidarnosc during a press conference held immediately following today's debates of the 2nd National Congress of Solidarnosc delegates.

The meeting was attended by a group of trade union activists who were presented by the Congressional Press Spokeswoman Barbara Malak as those responsible for allowing Solidarnosc to endure.

"I find no grounds to put forth the question of transforming Solidarnosc into a political party, especially after the first day of the debates," secretary of the National Executive Commission Lech Kaczynski added. "Solidarnosc groups people of very divergent convictions: social democrats, centre or right-leaning people. There are nonetheless no grounds for the trade union to transform into a political party," Kaczynski said.

Opens for 2nd Day

LD2004090690 Warsaw PAP in English 0755 GMT 20 Apr 90

[Text] Gdansk. April 20—Solidarity delegates opened this morning the second day of their congress at the Gdansk Olivia Sports Hall.

Solidarity leader Lech Walesa is expected to present a report on union's activity covering the period from the first congress in 1981.

The agenda of today's debates also envisages an address by chairman of the Audit Commission and a plenary discussion.

The second day of Solidarity congress started with procedural issues as the meeting is considering the inclusion of a new item in today's agenda: the presentation of the list of candidates for the post of the union's leader. According to the congress time-table, this was to take place tomorrow.

President Bush Message to Solidarity Reported

LD1904230290 Warsaw PAP in English 2157 GMT 19 Apr 90

[Text] Gdansk. April 19—The Solidarnosc Congress heard here today a message from U.S. President George Bush. Said he: "During the past decade, the world has watched with great anticipation and awe the series of dramatic events that have led to the establishment of representative government in Poland."

"While the way ahead might seem uncertain, and, at times, even perilous, Solidarnosc will always stand as a model and as a source of hope to freedom-loving peoples everywhere," said he.

The U.S. President assured the Congress that Solidarnosc continued to have the admiration and support of all Americans.

Walesa Said Necessary for Solidarity Strength

AU2004101590 Warsaw RZECZPOSPOLITA in Polish 17 Apr 90 p 3

['J.M.'-signed report: "A Strong Union Needs Walesa—Statement by Senator Lech Kaczynski, secretary of the 'Solidarity' National Executive Committee"]

[Text] I fully agree that "Solidarity" must become a strong and influential union, but it must nevertheless be a trade union. The main danger is political vacuum, which means that "Solidarity" would often have to fulfill the role of a decisive political force, perhaps the only political force, whether it wants to or not. Because of the lack of competition, in other words a lack of other organized forces, "Solidarity" automatically approaches a function previously performed by party committees. Of course, it is not a question of substance, because it can be assumed that "Solidarity" people are acting in good faith and have the best of intentions. They have often scored notable successes in the process of promoting changes in public life.

The second danger is connected with the status of "Solidarity" in the work place. Managers at the present time are still overwhelmingly members of the nomenklatura—this is changing, but too slowly—and in the light of deep-rooted habits and the absence of an apolitical mechanism for the recruitment of new managers, in some instances "Solidarity" is beginning to perform the role of an organization that backs certain managers, and in most cases this must mean that these managers are to a certain extent dependent on the trade union. So, the role that it is beginning to assume in the work place is one that goes far beyond that of representing employees and championing their interests. Indeed, in a certain sense it is even at odds with championing the interests of the employee.

These are dangers that have to be avoided at a variety of levels and primarily by way of developing an authentic political life. It should also be done by developing genuinely apolitical personnel policy mechanisms for managerial staff and by creating real employers in general. This will of course be aided by privatization. However, it is something that can happen more rapidly or more slowly, and it certainly will not result in any fundamental changes to forms of ownership in our economy in the immediate future. Yet, what we must create in ate enterprises is someone who will behave like the genuine owner of a business. In short, we have to produce some intermediate forms and create a certain structure of relations between employer and employee.

This would enable the trade union to really behave like a spokesman for employees and the spokesman for certain interests that are threatened today. It has to be borne in mind that however absolutely vital privatization and the formation of new economic laws in our society may be, from the standpoint of both the economy and the stability of the democratic system, this present stage does, nevertheless, entail serious dangers for the employee. A strong trade union is needed to address these dangers. That is the role that "Solidarity" has to perform. I do not think that it can achieve this if it is also performing other functions.

"Solidarity" is currently in the process of developing its new identity. The process has barely begun, and it is taking place under conditions that are entirely different from those that existed in 1980-81. I am convinced that Walesa can help in this process and that it is essential that Walesa should remain head of the union at the present time. The first reason is that he has a clear concept of what a genuine trade union should be. The second reason is that Walesa has become an institution himself. By being chairman of the union he automatically strengthens it and bolsters its standing. Regardless of the fact that there will undoubtedly be other candidates for the post of union chairman, I cannot at the

present time imagine a leadership that could be as strong as one that includes Lech Walesa.

Statute Winding Up RSW Comes Into Effect

AU1904141490 Warsaw RZECZPOSPOLITA in Polish 11 Apr 90 p 4

[Unattributed report: "The Act Winding Up the RSW"]

[Text] We are printing the full text of the Act that winds up the Workers Publishing Cooperative "Prasa-Ksiazka-Ruch" [RSW], dated 22 March 1990. It will be published in the Journal of Statutes, number 21, on [date indistinct] April. This is also the date the Act came into force.

Article 1

1. On the date this Act comes into force the Workers Publishing Cooperative "Prasa-Ksiazka-Ruch" (hereinafter referred to as "the Cooperative") shall begin winding up proceedings.
2. Section 1 shall also apply to companies, cooperatives of legal persons, and cooperatives of legal persons and individuals that were formed after 31 September 1989 and as a result of the restructuring of the Cooperative, provided that these companies or cooperatives took over in whole or in part property of the Cooperative.
3. The provisions of the Act of 16 September 1982 shall apply where appropriate to the winding up of the Cooperative and the cooperatives referred to in section 2; the Law on Cooperatives (Journal of Statutes number 30, item 210; 1983 number 39, item 176; 1986, number 39, item 192; 1987, number 33, item 181; 1988, number 11, item 324; 1989, number 3, item 12, and number 6, item 33; and 1990 number 6, item 37), and the provisions of the decree of the President of the Polish Republic dated 27 June 1934, shall apply to the winding up of companies referred to in section 2; the Commercial Code (Journal of Statutes number 57, item 502; 1946, number 57, item 321; 1950, number 34, item 312; 1964, number 16, item 94; 1969, number 13, item 94; 1988, number 41, item 326; and 1990, number 17, item 98), provided that these provisions do not conflict with the provisions of this Act.

Article 2

The appointment of a winding up commission dissolves the management bodies of the Cooperative and any powers of attorney granted by these bodies shall lapse and become null and void.

Article 3

1. The rights and duties of the liquidator are delegated to a winding up commission to be appointed immediately this Act comes into force by the chairman of the Council of Ministers (hereinafter referred to as "the Commission").
2. The chairman of the Commission shall be appointed by the chairman of the Council of Ministers.
3. The chairman and one other member of the Commission are empowered to make declarations of intent on behalf of the Commission.
4. During winding up proceedings the Commission shall have the powers and duties of the management organs of the Cooperative.

Article 4

1. Apart from the duty to prepare a financial scheme for the winding up and a schedule of liabilities, the Commission shall prepare a management plan in relation to the property owned by the Cooperative, including its enterprises and other independent organizational units, or parts thereof. The plan is subject to approval by the Council of Ministers.
2. The financial scheme for the winding up, the schedule of liabilities, and the balance sheet at liquidation date is subject to approval by the Minister of Finance.

Article 5

1. Publishing houses and other organizational units owned by the Cooperative, as well as the separate parts thereof are capable of being transferred to a works cooperative, provided the cooperative is founded by at least 50 percent of the employees of an organizational unit with the aim of continuing its activity.
2. The conditions relating to the transfer of publishing houses and other organizational units of the Cooperative to works cooperatives as defined in section 1, are as follows:

1) Each member of a works cooperative must advance a minimum share of the cooperative's capital equal to the value of three times the average monthly remuneration received by the member as employee of the publishing house, or organizational unit in 1989;
2) Application for transfer must be made to the liquidator of the Cooperative within three months of this Act coming into force;
3) The works cooperative must assume all liabilities that arise from the activity of the transferred organizational unit, as well as any other obligations of the Cooperative that may be specified by the liquidator.

Article 6

1. Publishing houses and other organizational units that are not transferred to works cooperatives as provided for by Article 5, and all other property of the Cooperative, are subject to a power of sale provided for by Article 4 of the Act of 20 January 1990, on Changes in the Organization and Activity of Companies (Journal of Statutes, number 6, item 36 and number 11, item 74).
2. Shares held by the Cooperative in other companies are also subject to the power of sale as provided by section 1 above.
3. Undisposed of and unsold property of the Cooperative and the sale proceeds remaining after the satisfaction of claims of the creditors of the Cooperative, as well as the rights and obligations arising from the membership of

the Cooperative in other cooperatives shall become state property on the date the Cooperative is liquidated.

Article 7

1. The liquidator of the Cooperative may at any time during winding up proceedings apply to the court to set aside any resolution passed by any organ of the Cooperative after 31 September 1989 notwithstanding that such application does not comply with the time periods allowed by the Law on Cooperatives for making such applications, provided the resolution infringes the general provisions of the law, the internal regulations of the Cooperative, or is inconsistent with the rules of financial management of the Cooperative.
2. The liquidator has three months from the date this Act comes into force to apply to the court to set aside any agreement entered into by the Cooperative on the basis of any resolution referred to in section 1 or any agreement entered into after 31 September 1989 that is a manifest wrong done to the Cooperative.

Article 8

1. Any transfer of property or property rights made before 31 July 1991 pursuant to the provisions of this Act shall be exempt from all taxes, stamp duties, court and notary fees, except for office expenses.
2. The provisions of section 1 shall apply to any entries that require to be made in land and mortgage registers.

Article 9

This Act comes into force on publication.

Abolition of Publishing Cooperative Under Way

AU1904163390 Warsaw RZECZPOSPOLITA in Polish 17 Apr 90 p 2

[Unattributed report: "The Commission To Abolish the RSW Is in Operation"]

[Text] The Government Press Office reports that the Commission to Abolish the Workers' Publishing Cooperative [RSW], appointed by Premier Tadeusz Mazowiecki on 12 April, is already operational.

The commission has taken formal steps, laid down by regulations, to commence the liquidation of the RSW. It has adopted a schedule of preliminary liquidation measures. Steps have been taken to continue the appearance of RSW-owned press titles and distribution, and especially to guarantee enough paper for the next few weeks. The process of making an inventory of RSW assets has commenced. Talks with journalists' associations and trade unions affiliated with the RSW are at an advanced stage. The commission is continuously examining ideas and projects concerning the reorganization of RSW components and transfers of ownership thereof. A team of lawyers is preparing information on the legal and financial aspects of the emergence of cooperatives in RSW editorial offices, publishing houses, and enterprises.

* Finance Minister Introduces Privatization Bill

90EP0473A Warsaw RZECZPOSPOLITA in Polish 6 Apr 90 p 4

[Speech by Leszek Balcerowicz, deputy prime minister and finance minister, during first day of parliamentary debate on privatization bill on 5 April: "We Are Creating an Economy of Resourceful People"]

[Text] Four months ago, the Sejm approved a package of fundamentally important decisions concerning the Polish economy.

The program adopted then meant, first, that we had to bring under control the problems passed down from the past—rampant inflation, the widespread shortages of goods, the daily hardship of waiting in lines—and, second, that a new situation had to be created by building a modern market economy which could take the nation on a road of development worthy of its history and ensure conditions for the worthy life of the people.

In keeping with the logic behind the program, the first quarter was mainly devoted to fighting the worst of all problems, to combating inflation.

Now is the time to speed up systemic changes. We want to accomplish a revolutionary transformation of the economic system. The performance of the economy in the first quarter indicates that this is a feasible job. We intend to speed up implementation of a unique undertaking. Our program is the first-ever attempt to pass from an economy based on a state monopoly to a market economy such that exists in Western countries.

The future of the Polish reform will, of course, decide the future of Poles above all, but may also have a significant effect on the situation elsewhere in Europe.

Aware of this, the government now submits to this august chamber a package of bills opening a new and decisive stage in the implementation of our economic program.

I will recall that when we began drawing up the program last year, we faced the question of whether to carry out deep-cutting institutional changes and tolerate high and growing inflation for a long time, or to take to task inflation before everything else while initiating and—with the growing stabilization in the economy—expanding changes in the system.

Neither of those was a risk-free road. However, the former posed the danger of hyperinflation which would bring chaos to the Polish economy. That, in turn, would make successful institutional reforms simply impossible. In such a situation, for example, nobody would be able to determine the value of the assets of privatized enterprises.

So, we opted for the other road, which is likewise painful for our society, a road on which it must have a lot of patience but one which is more certain and offers a much greater opportunity to succeed.

Now we can make a preliminary assessment of our choice. The question to answer is this: What was the performance of the first quarter?

As soon as it has gathered all statistics on the first three months, the government will submit a comprehensive report to the Sejm. At this point, I would like to offer a qualitative assessment of economic trends.

First of all, it should be mentioned that economic processes were developed in line with our expectations. We are close to attaining the fundamental objectives of the stabilization plan.

First, we have succeeded in bringing rampant inflation under control.

Second, as prices were largely deregulated their structure changed fundamentally. Prices began to reflect the real cost of the production of some goods to society. In many cases, that is a bitter truth. But without that truth there will be no efficient economy. Distorted prices prevent correct decisions and force the country to be sealed off from the world with a wall of regulations in order to protect itself against being bought out and against speculation.

Third, the situation in the consumer goods market has improved significantly. The nightmare of long lines in front of shops no longer exists. Like elsewhere in the normal world, it is the buyer who decides the terms of trade. This is a very encouraging sign of the forthcoming improvement in the quality of goods and services and cost reductions.

Fourth, we have made the zloty convertible and at the same time ensured a stable foreign exchange rate. This is enormously significant for opening up the economy to the world which we need so badly and subsequently plugging into the system of international cooperation.

Fifth, we have managed to halt the panic selling of the zloty. Our national currency is becoming a credible currency.

Sixth, we have put an end to the management of the economy by administrative fiat. This means, among other things, that enterprises are now free to pick their suppliers and buyers. We have also abolished the vestiges of state monopoly in foreign trade. All of these moves have created an environment for competition.

The attainment of these goals is our common success. We are aware of the great cost incurred. However, no mending of the economy, especially the one we inherited from the past, can proceed smoothly. In our case, the principle "everything comes at a price" produced a drop in real incomes, the appearance of open unemployment, and a decline in production.

It was known that these phenomena were bound to occur. After all, they all follow from the logic of the stabilization; they are unavoidable side-effects of the process; yet, at the same time they are prerequisites for switching the economy over to the new rules.

As a result of higher than anticipated inflation, personal income in real terms dropped significantly in January and February. But let me point out that during the past several years real income used to grow faster than the cost of output. This boosted inflation.

It should also be pointed out that March the decrease of real income since the beginning of the year was partly offset due to profit sharing and the adjustment of salaries in the budgetary sphere and of retirement benefits and annuities.

With a further decline in nflation it will be possible to ease restrictions on wages. However, this will have to be done so as not to jeopardize the accomplishments of economic stabilization.

Unemployment which now openly exists has caused apprehension in our society. We realize that this is a very painful experience for the people affected. However, it should also be mentioned that unemployment does not exceed 2 percent of the entire work force, and one in three of those registered had no jobs previously.

Still, this fear of unemployment is widespread. This is understandable. After all, unemployment has never existed openly before. It did exist in a hidden form; it was manifested in overstaffing, poor productivity, and, consequently, the generally poor standard of living.

When we talk of unemployment we must acknowledge a few truths.

First, a certain amount of unemployment is a natural element of any market economy. When an economy functions properly, such unemployment may be reduced to a minimum, the duration of joblessness of those affected may be radically reduced, and social protection measures may also be taken.

Second, the transition from hidden to open unemployment produces positive effects which are already visible in our country. It restores respect for work and facilitates its improved quality. Jobs which nobody wanted before are now being taken.

Third, many people are still reluctant to learn new trades, or to start their own business. We will do our best in order to keep the period of joblessness as short as possible. To this end, we will support the creation of new enterprises and new jobs, as well as efficient employment agencies and a vocational-training and information system. All of these are the tasks of the government, in particular, the Ministry of Labor and Social Policy, but also of the local authorities, trade unions, and public organizations. We will support their efforts vigorously.

Declining output has touched off a lot of debate and emotion. Let me point out that it began as early as the spring of last year. Right now, apart from the factors which caused that decline earlier, there is a new factor,

namely a situation in which it is easier to buy things things but harder to sell them. The decline of output is to some extent a result of the radical changes in conditions for economic operations made at the beginning of this year. Each such shock entails the cost of adapting to the new economic reality. However, this does not explain everything.

The enterprises responded to the growing cost of energy, hard currency, and credit by setting excessively high prices for their goods. Since the money supply is restricted, they are finding for the first time that they are unable to sell all of their products on such a scale. Therefore, a demand barrier appeared. Some enterprises have extra difficulties selling their goods the prices of which were previously set far below their real costs because they were subsidized. This bad situation was compounded by the inflexible behavior of state and cooperative trade.

The demand barrier forced enterprises to change their ways. They started with the simplest things, suspending work for some time and giving their work forces leave time. Some manufacturers, though, have adopted active selling methods including commission agreements, selling goods directly from trucks, returning to the long-abandoned installment sales, or opening their own outlets offering goods without the distributor's markup.

Others, for example, in the automotive industry, revised their cost analyses and reduced prices for their products through, among other things, temporary rebates. This is the main way out of the recession. Market rules began to work.

Buyers shocked by the initial surge of prices should realize that maintaining strict financial discipline is in their own long-term interest. After all, it brings about the situation whereby producers seeking acceptance by them will have no other way but to offer better, more up-to-date and cheaper goods. At present, a lot depends on our society understanding the significance of what is at stake.

The people keep asking: How are we going to get out of the recession?

Therefore, let me stress that whatever is done to boost output must be based on the firm favorable results of economic stabilization and not on undermining it.

It would be inconsiderate and dangerous to drop the restrictive elements of our financial and credit policy too soon. That would lead to a recurrence of the inflationary surge rather than the permanent invigoration of production. This would endanger the results which we have accomplished through the efforts of our entire society. The experience of some other countries in similar situations should be a warning to us. Take the cases of Argentina or Brazil. After initial successes in their anti-inflation programs, those governments lifted relaxed their credit and wage restrictions too soon. As a result, inflation surged again.

In order to control inflation for good, it is necessary to embark on the road of changes in production and the patterns of production and organization, and to eliminate old structures. We cannot relax the necessary restrictions unless we know for sure that this is actually happening because this poses the danger of repeating the mistakes of others. Meanwhile, each successive attempt to overcome inflation is more difficult than the previous one.

I would like to stress that the main forces for overcoming the decline in output are to be found in the stabilization program itself. The program introduces economic coercion and competition. No administrative decree is capable of replacing a market mechanism or a restrictive monetary policy in the course of non-inflationary stimulation of production. The market and this policy are the most efficient ways of eliminating waste and cutting costs, and consequently also prices. They bring about improvements in the quality of products and compel a search for new markets and suppliers.

Next to the declining rate of inflation, another important factor sets in, namely, lower interest rates.

Successful economic stabilization also signifies an end to subcontracting troubles lasting many years, which in turn makes it possible to organize work more efficiently in individual enterprises.

These results of the stabilization program are and will be enhanced through progress in the systemic changes already being introduced, such as opening up [the economy] to the world or its demonopolization.

The lifting or relaxation of the few remaining restrictions on exports is one of the measures aimed at overcoming the recession in the economy which provides "an outlet" the demand for which in the domestic market has flagged.

We have also reduced import duties, in particular for capital goods and raw materials for use in production. That has been possible due to the advantageous situation as far as our current account is concerned. At the same time, this move enables us to cut domestic production costs and thus the prices of goods.

Due to the positive results of stabilization, the government has been able to undertake other stabilization measures, especially in agriculture and the food sector. Actions taken in exports have already been mentioned (the lifting of restrictions on butter and meat), as well as those in imports (customs duties on pesticides have been eliminated).

With the fall in inflation, it has become possible to introduce special revolving credit for farmers at a constant interest rate within the framework of the total sum of funds set aside in the budget for aid to this economic sector.

At the same time, fertilizer subsidies have been preserved.

In consultation with foreign aid donors, the government has made changes in the structure of foreign aid, among other things, by increasing pesticide supplies with a view to increasing agricultural output.

We are taking action against the manufacturers of the means of production for farming who are abusing their monopolistic position.

The government is aware that, to a considerable degree, the inevitable burden of the stabilization program also affects farmers. We fully appreciate the importance of agriculture to the entire economy, as well as its specific nature. We are convinced that the success of the economic program (a strong zloty and a well-stocked market) is in the interest of the farmers.

Therefore, the adjustment measures which we have taken and are going to take must not undermine the main assumptions of the program. Such measures would be detrimental to the interests of the farmers themselves.

The government is examining the possibility of improving further the conditions for agricultural production which would not clash with the program; after all, the latter is aimed at invigorating the entire national economy.

We will expand our adjustment measures in keeping with the progress of economic stabilization. We attach great significance to the development of small and medium companies as a step aimed at the non-inflationary reinvigoration of production.

This is so because of the special characteristics of this sector. They include the ease of setting up such companies and their flexibility in adapting to market needs. They can also create new jobs rapidly which is important for combating unemployment. We would encourage the creation of new jobs in small and medium companies rather than go out of our way to keep inefficient mammoth enterprises afloat.

Foreign experience is also an argument in favor of supporting small companies. In all affluent countries, thousands of tiny companies exist along with the giants of industry some of which, to be sure, collapse quickly but an equal number of others come into being.

The adoption of the bills submitted to the Sejm today should help us create advantageous conditions for small companies.

Along with the liberalizing provisions I have already mentioned, we are considering additional actions, such as:

—the establishment of financial institutions specializing in providing loans to new enterprises;

—initiating foreign financial assistance to private companies; the government will streamline the flow of information about the opportunities for obtaining such loans;

—the establishment of a network of consulting services for new entrepreneurs;

—the use of identical turnover tax rates as in the so-called socialized sector.

Our emergence from the recession will not be easy—some state-owned enterprises are facing liquidation or bankruptcy. It is with them in mind that the government is setting up the Agency for Economic Restructuring and the Restructuring Bank. It will be the responsibility of these institutions to offer assistance to enterprises provided that they implement a suitable economic recovery program. Therefore, this will give the enterprises facing a difficult financial situation an opportunity.

At the same time, we intend to help improve the operation of other enterprises. To this end, we are setting up teams of Polish and foreign experts. At the request of those concerned, these teams will provide advice regarding the boosting of profitable exports or reducing the cost of production.

The favorable outcome of stabilization will allow us to take on more profound changes in the economic system. We have begun to introduce such changes simultaneously with economic stabilization. Therefore, we are already dealing with important elements of a new economic system.

These elements include first and foremost the pronounced separation of the central bank and the state budget. Credit is now credit, and subsidies are subsidies. This is also an element of truth which is indispensable in an efficient economy. This has made it possible to eradicate from budget management the trends which used to contribute to inflation and to facilitate the reinvigoration of the credit system.

The aforementioned expansion of the extent of convertibility of the zloty and limitations on administrative interference in the economy were another fundamental change.

We have been breaking up monopolistic economic bodies which for the most part have previously acted as intermediate levels of management. Huge meat-packing and sugar industry enterprises have been broken up. Demonopolization continues in construction, transportation, and trade in agricultural machinery. Many new autonomous enterprises have emerged as a result of splitting the combines. The Hard Coal Conglomerate and the Power and Brown Coal Conglomerate have been put into liquidation. Legal conditions are being prepared in order to put an end to the state monopoly in communications. In a matter of days, the law on counteracting monopolistic practices will take effect due to which we will be able to combat unhealthy practices deformities more vigorously.

The centralized bureaucratic superstructure of the cooperative movement is being dismantled, with the movement regaining its authentic nature.

We are creating conditions for guaranteeing suitable standing to the directors of state-owned enterprises. Their professionalism and attitude will determine the speed and efficiency with which the enterprises will be able to adapt to new, more difficult circumstances. It is as important to elect as it is to retain the best directors in enterprises. Our economy which is in need of an overhaul cannot give up even one genuine professional. We hope for the wise support by self-management bodies and trade unions because the survival and brighter prospects for the work forces of enterprises depend on the professionalism of managers.

The new structural arrangements of which I have given a few examples are very important for the functioning of the economy.

However, the time has now come to speed up the process of change. The package of bills now submitted to the Sejm will accomplish this.

Amendments to the Civil Code and the Code of Civil Procedure will be very significant. We propose to eliminate the existing division of the economy into the socialized and non-socialized sectors and to abandon separate civil-law regulations in this regard. This will create conditions for the equal treatment of all economic entities.

The proposed changes introduce new arrangements for real estate sales by distinguishing between housing and commercial premises. The abolition of limitations on farm land sales in rural areas with a view to freely increasing the area of individual farms is also proposed.

Amendments to the Civil Code will also fill in the gap in legal regulations on securities. A new arrangement involving ownership rights is another change. While ensuring the status of corporate persons in state enterprises, the fiscal powers of the treasury with regard to state corporate person are also being defined.

The proposed law on property insurance is designed to free insurance operations from the bonds of old monopolistic and centralized structures. The creation of insurance companies with the participation of foreign capital will be made possible. Voluntary insurance will be the rule, with compulsory insurance restricted to a narrow and socially indispensable scope only.

Undoubtedly, ownership changes are the basic element of the economic reform. They constitute the core of the proposed legislative package. The previous structure of ownership in our economy has been characterized by the extreme supremacy of the state. The public sector has enjoyed, and continues to enjoy, a dominant role, especially in industry and construction. Healthier relations in this regard call for resolute actions aimed at privatization.

Not so long ago, the term "private property" was strictly derogatory, and a caricature of it was used for intimidation. But it can assume diverse forms, ranging from individual ownership through family and group ownership to institutional ownership. Due to its separation from the state and all bureaucratic structures, this form of ownership is among the most important factors determining the scope of the personal freedoms of citizens. It provides citizens with an extensive opportunity for active lives.

The transformation of ownership has already begun. This is mainly so-called minor privatization within the framework of which public land, building plots, apartments, buildings and small commercial and processing facilities are sold to individuals. Its purpose is to supply the means of production for small enterprises, mainly family-run, small service, commercial, and construction companies.

The government believes that the speed of minor privatization has not been satisfactory thus far. The draft amendents to the Civil Code presented to the Sejm, as well as other legal regulations adopted or in preparation, will make it possible to speed up this process considerably. The amendments to the Real Estate Tenancy Law presented by the government introducing a market-oriented approach to commercial premises will also be significant in this matter.

The draft laws proposed will also make it possible to privatize large state enterprises.

This question sometimes comes up: Why is this so important? After all, we could conceive of a market economy with our own structure of ownership, the one not proven extensively in the practice of the world.

But why should we experiment if we can resort to tested models? The very change from a state monopoly to a market economy constitutes an experiment in itself, and we have no choice in that matter. We can, however, proceed from tested models as far as the target is concerned. This is also supported by the fact that a market economy without extensive private ownership must be less dynamic and hence must be characterized by higher unemployment than the economy we know in the most affluent countries.

Therefore, a market economy founded on extensive and diverse forms of private ownership and at the same time open to the world should be our target. It does not rule out employee ownership or co-ownership. In this economy, the highest degree of efficiency in the use of material and spiritual resources of society may be attained among all the economic systems known in practice and, due to this, the most rapid improvement in the standard of living.

This stems from the fact that private companies are run, directly or indirectly, by those who are interested in cutting costs, improving product quality, organizing work well, efficiently searching for new markets, and furthering the development of the enterprises themselves, or creating new jobs.

Also, in such an economy strong competitive pressures also exist, so that those who give up such actions face the threat of being eliminated from economic activities. The process of selection means that resources are shifted from worse spheres and uses to better ones.

The proposed privatization bill provides for various modes of it. The public sale of shares after an enterprises is converted into a joint-stock company is one of them.

Regulations which make it possible to sell individual components of the assets of state enterprises in the event of their bankruptcy, as well as to sell entire enterprises is also envisaged in the legislation. In addition, it will be possible to privatize bankrupt enterprises by selling their assets.

Privatization in its entirety will be carried out openly, along clear and understandable guidelines. The draft law says that the workers of state enterprises transformed into companies will have the opportunity to obtain up to 20 percent of the stock on preferential terms. Facilitating the purchasing of shares by small buyers is envisaged. The draft law also envisages possibilities for transferring an enterprise or a part of it for a fee to be used by the workers who form a company or a cooperative. We believe that the already apparent interest of the work force in ownership changes will continue to grow.

We want to make the best possible use of the strong motivating influence of private property. However, at the same time state enterprises will continue to play an important, though lesser, role in the economy. However, in a new market environment they will have to operate more efficiently.

Also, we know that, despite being on the average less efficient than private enterprises, many state enterprises are capable of good performance due to proper management and the initiative of the work forces. We expect that the new difficult conditions for operations and competition will cause the number of such enterprises to increase.

In addition, municipal property will form part of our economic system soon.

Cooperatives which meet authentic, grassroots social needs for joint operations and are free of bureaucratic ballast will continue to play an important role in our economy.

The results of stabilization measures to date have been possible due to the attitude of the public. The people have displayed great fortitude and readiness to accept concessions and sacrifice to a degree which commands the respect and admiration of foreign observers.

The requirements which our society will have to face during the new period beginning today are quite different. Apart from endurance, this period calls for dynamism and enterprise. It is necessary to overcome passivity and acquired helplessness, i.e., the attitudes which we have inherited from the command system, in order to build an efficient market economy.

Such a change is be possible first and foremost due to speeding up systemic transformations so that everyone could see an opportunity for himself in this struggle for the future.

Such conditions will be created by ownership changes; active people will be able to find an opportunity for themselves. This does not only apply to entrepreneurs and shareholders. An efficient economy will create opportunities for other social groups and strata as well. However, while creating an economy for the resourceful ones, we must not forget about those who cannot help themselves on their own. This is why we consider a well-organized social security system so important.

We are also aware of the very difficult situation which young people are facing in Poland.

However, we believe that new avenues are opening especially for young people. They are reasoning in a new way. It will be the easiest for them to participate in the building of a healthy, dynamic market economy. We are also counting on the thousands of well-educated and enterprising Poles who have ended up abroad in order to escape societal retrogression. Many of them can now find a place for themselves in our Polish reality, or could play the role of excellent intermediaries and guides.

We want to create the best possible opportunities for the young people to gain knowledge, skills, and the ability to act in the new economic conditions. The rest will depend on them, on their skills, energy, and the ability to change themselves and their environment.

A favorable social climate is necessary for the successful introduction of economic changes. This, however, does not mean that we hope for passivity, for no questions to be asked, for the absence of doubts or criticism. Just the opposite.

We will answer questions, dispel doubts, carefully listen to criticism, and use it in our economic policy. No government is infallible, and substantive discussion will only benefit the economy. This, however, will not relieve us of the duty to resolve many dilemmas which we are facing. Nobody is capable of taking us to a world of easy choices in which the decisions taken are cost-free or risk-free.

Therefore, it is particularly important—given the present freedom—that one express one's views objectively. Demagogy and populist slogans will not improve the economy. Everything that is derived solely from emotions or is subordinated to political games in which advantage is taken of economic difficulties does obvious harm to the economy.

The world respects and appreciates not only the thrust of transformations taking place in Poland but also the peaceful manner in which they are being implemented.

Due to this, we have won the political sympathy of democratic states and nations and specific forms of assistance.

We want Poland to become an active member of a modern, peaceful Europe. Strengthening the economy, making it open to the world, and joining the European economic system is a prerequisite for this. New challenges have appeared; after all, the reunification of Germany means that quite soon we will border on a country with an enormous economic potential. To a Poland with a strong economy, such proximity will offer immense opportunities; to a weak Poland, it will be a threat. We will not be able to return to Europe if we replace the free development of democracy and the building of pluralist order with the "Polish hell" to which Prime Minister Mazowiecki referred recently. Europe will accept us as a partner enjoying equal rights only after we consolidate the peaceful and democratic process of political change and prove that economic changes in Poland are effective.

A normal, real world is not far away, even though our road to it is, and will be, difficult. The Poles want to and have the right to live in such a world, and they are fully capable of building it together with other nations. The changes which we have proposed today should help us in doing so.

I invite this chamber to consider and adopt the draft laws presented to it.

Roman Statements Upon Return From Spain

AU1904204890 Bucharest Domestic Service in Romanian 1920 GMT 19 Apr 90

[Statements by Premier Petre Roman at Otopeni Airport in Bucharest on 18 April]

[Text] On Wednesday, 18 April, almost at midnight, upon return from his visit to Spain, at Bucharest Otopeni Airport, Prime Minister Roman made the following statements:

[Begin Roman recording] We believe and we are convinced that this visit is very important and useful for the relations between Romania and Spain, and for the communication between Romanians and Spaniards.

This visit resulted in a few agreements, some of which are the framework for the future, while others are for immediate implementation. These can be finalized over the short, medium, and long term in areas of interest to both sides, in areas where Spanish experience has proved fruitful, such as tourism, agricultural and foodstuffs sector, the textile industry, and in the field of training cadres for these sectors, particularly for tourism, with a very important contribution in the field of culture and education.

The team that accompanied us to Spain did an honest, clean cut, and good job, which was very much valued by the Spanish side and—why should we not say so?—during this visit, we noted the feelings of good communication and sentiments of friendly affection with which we were welcomed throughout the visit—everywhere, with all the personalities whom we met, including Prime Minister Felipe Gonzalez, president of the Spanish Government, the Spanish royal family, the top leaders of the Employers' Confederation, the National Industry Institute in Spain, and all the other people whom we met in (word indistinct), Toledo, and Madrid. Therefore, I can only state that the visit has been useful, good, and it truly opens up paths along which Spain and Romania can proceed, in a European context, toward cooperation in multiple planes and with (?entrepreneur collectives) [end recording]

Foreign Ministry Spokesman Gives News Conference

AU1904142290 Bucharest Domestic Service in Romanian 1300 GMT 19 Apr 90

[Text] Today at the Foreign Press Club in Bucharest, Mr. Romulus Neagu, foreign affairs deputy minister and Foreign Ministry spokesman, outlined our country's position on certain international issues. Referring to Romanian-Hungarian relations, the spokesman emphasized that they have reached a stage at which constructive talks may be started and that within this framework Romania has a number of proposals and initiatives.

In connection with the unification of Germany, he stressed that Romania believes that, in accordance with the right of peoples to self-determination, the unification of Germany is a prerogative of the people in the two German states and that negotiations should take place between their representatives.

At the same time, our country recognizes the prerogatives of the four victor powers and has no reservations in connection with the talks of the four. However, taking account of the implications which the unification of Germany has in Europe and in the world, Romania is of the opinion that, after the two-plus-four talks, it is necessary to conduct talks by involving the other states participating in the general European process as well.

Asked about the fact that Romania's ambassador to Paris, Alexandru Paleologu, was recalled to Bucharest, the spokesman of the Foreign Affairs Ministry said that the ambassador—after consultations in Bucharest—returned to his post in the French capital today.

Talking about Romania's international relations, Mr. Neagu specified that our country is in full process of normalizing its diplomatic relations. This year Romania established diplomatic relations with Ireland and South Korea, and talks are underway to establish diplomatic relations with Saudia Arabia, Bahrain, and Qatar. At the same time, it has been announced in Bucharest that the embassies of Portugal, Denmark, and Norway will be reopened.

Further on News Conference

AU1904184990 Bucharest ROMPRES in English 1710 GMT 19 Apr 90

[Text] Bucharest, ROMPRES, 19/4/1990—In a news conference with Romanian journalists and foreign media correspondents, Romulus Neagu, deputy minister of foreign affairs and spokesman of the ministry, presented Romania's stand at international and regional reunions.

In connection with the UN General Assembly Special Session on International Economic Collaboration and the International Strategy of Development, due over April 23-28, where Romania will be represented by Foreign Minister Sergiu Celac, the spokesman stressed that according to Romania the session had to contribute to building a most congenial international climate for the revigoration of all countries' economic development, for their unhampered participation in the international division of labour.

With reference to the 45th session of the UN Economic Commission for Europe, that holds proceedings since April 18 in Geneva, Romulus Neagu said that the Romanian delegation there would present "Romania's obvious readiness for free international economic collaboration" as well as the steps already taken in that respect which referred among other things to the renunciation of the state monopoly in that domain, the setting up of commercial societies with foreign participation and attraction of foreign capital investments, development of the private sector by encouraging free enterprise. It was also shown that the Romanian delegation to the annual session of the Danube Commission, taking place in Budapest, has the mandate to actively promote the new orientations of Romania's foreign policy regarding the steady development of the relations of friendship, good

neighbourliness and understanding with all member-countries, large collaboration with the other states in Europe and the world over.

In the context of the recent decision to establish diplomatic relations at an embassy level between Romania and Ireland, the Foreign Ministry spokesman showed that Romania currently negotiated the establishment of diplomatic relations also with other three states; namely, Saudi Arabia, Bahrain and Qatar. Likewise, Romulus Neagu showed, foreign embassies in Romania, closed during the dictatorship, like those of Portugal, Denmark and Norway, were reopened. The Mexican Embassy too, will be reopened this year. Romania's embassies in Indonesia and Malaysia received their ambassadors.

Withdrawal of Ex-King's Visa 'Unjustified'

AU1904150090 Bucharest ROMANIA LIBERA in Romanian 13 Apr 90 p 1

[ROMANIA LIBERA article: "Unjustified Offense"]

[Text] The government has announced that it has withdrawn the entry visa for King Mihai I. As a result, the former sovereign was forced to postpone his trip and to give up celebrating Easter on Romanian soil. We have become used to the fact that we being ruled through illogical actions, and, in the final analysis, we can understand this, without having to approve our government's decision.

However, something we cannot even understand, let alone tolerate, is the absolutely amazing attitude of Messrs. Campeanu and Bratianu, liberal leaders, who—satisfied that finally they have become leaders of "historical parties" in our country—announced, in a different tone, that the visit of King Mihai I is inopportune at this time. Finally, if we are talking of a "consensus" in this respect, it is surely a consensus that casts a bad light on us in the world betraying the fact that—in the name of electoral calculations—people have no trace of elegance left.

With the same dignity and restraint that has characterized his actions throughout the years, the former sovereign accepted a verdict which—it has to be known—does not belong to all Romanians. We suspect that the attitude of the government—although decisive—has saddened him less than the position taken by the great liberals of today.

Among its reasons justifying this decision, the government included concern about the personal security of the former monarch. Does our government think we are uncivilized people unable to behave in a civilized way under such circumstances?

We are not for the institution of the monarchy, but we are still of the opinion that our people have always been characterized by decency.

"ROMANIA LIBERA"

Postscript: The stance taken in the above lines was prior to the "Current Events" program on television, which proved what was to be expected: the awkward situation of Romania's former sovereign who was stopped at Zurich Airport following the steps taken by the Romanian Government. In contrast to this decision of the government, which is difficult to justify, King Mihai's attitude has been noble. His comment on this incident was flawless: "This is a completely new situation for me."

Certainly new, but—unfortunately—also significant.

PNUC Vice President Minzatu To Visit U.S.

AU1904174390 Bucharest ROMPRES in English 1630 GMT 19 Apr 90

["Diplomatic Activities—The President of the Republican Party Will Visit the U.S.A."—ROMPRES headline]

[Text] Bucharest, ROMPRES, 19/4/1990—Mr. Ion Minzatu, vice-president of the Provisional National Unity Council, president of the Republican Party, will pay a visit to the United States of America over April 20-27 upon an invitation extended by the Romanian community in that country.

In connection with the aim and schedule of his travel he told a ROMPRES reporter that he would have a number of meetings with church communities, which are Greco-Catholic as a rule, whom he would inform that the Romanian state had recognized that religious denomination and its century-old continuity again. We will also meet young and old people willing to find out about Romania's development in every respect, with businessmen, with U.S. officials, including senators and congressmen who recently visited Romania, Mr. Minzatu also said and added: We take with us the Romanian people's message of profound friendship for the American people, for the democracy and freedom the US Constitution undiscriminatorily grants to every citizen.

Timisoara Citizens' Memorandum to PNUC

AU1904151090 Bucharest ROMANIA LIBERA in Romanian 13 Apr 90 p 3

[11 April "memorandum" issued by the Timisoara Society, the Europe Society, the Association All of Banat Is in the Forefront (Fruncea), and the 16 December Confederation and sent to the Provisional National Unity Council and the Romanian Government; place not given]

[Text] We, the citizens of the martyr city of Timisoara, concerned about the preservation and even use of certain Ceausescu instruments of oppression and about the lack of firm and effective measures to uncover the authors of the December 1989 genocide, announce that beginning today, 11 April 1990, we will daily hold protest watches from 1700-1800 [1400-1500 GMT] in front of the Cathedral downtown. We will not stop this action unless the following demands, which we view as minimum, are fulfilled:

—1. The immediate dismissal of the Interior Minister Mihai Chitac, who participated in the revolution in Timisoara being on the side of the oppressors.
—2. The dissolution of the civilian and military Prosecutor's Office, similar to the way this was done in Poland and the GDR, and reestablishing it within a month bearing the name of Magistrature—after the people, who collaborated with the Ceausescu repression bodies before and during the revolution, have been ousted.
—3. Given the fact that almost four months have passed since the genocide and that the relevant bodies have failed to provide official information about the assassins, we demand:

— The publication of the exact number of those who have been arrested and are under investigation in each city;
— tangible measures for their trial and punishment;
— and tangible measures for punishing the persons guilty of freeing some of those who fired at the people.
—4. All files opened by the Securitate during the dictatorship on the basis of political denunciations and proof of anticommunist activity should be handed to the citizens. We will not have the impression that we have really left the Ceausescu era behind unless each of us is in possession of his own file from the Securitate.
—5. We request that the list of informers and collaborators of the Securitate be published in the press according to enterprises and institutions. We want to know them, to judge them morally, to forgive them, and to offer them the opportunity to rehabilitate themselves. Only thus will the atmosphere of tension and suspicion within the working collectives disappear completely.
—6. We request that Mr. Doru Braia be officially recalled to Romania to enable the relevant bodies to clarify the case in his presence.

Unless these minimal demands are met, we will feel that we are still living in the Ceausescu era; those who oppose these demands being met want to preserve this feeling of ours. Should this form of protest yield no results, we reserve the right to resort to other forms.

The initiators—the independent organizations: Timisoara Society; Europe Society; the Association All of Banat Is in the Forefront [Fruncea]; and 16 December Confederation.

NSF Said To Aspire to Socialist International

AU1904155490 Bucharest ROMANIA LIBERA in Romanian 13 Apr 90 p 3

[Petru Clej article: "The NSF and Socialist International"]

[Excerpts] A delegation of the Socialist International visited our country this week. [passage omitted]

The Socialist International, which is the oldest organization of its kind, grouping 70 parties from all continents, thus became acquainted with Romanian realities. The guests participated in a news conference at the Headquarters of the Romanian Social-Democratic Party [PSDR] at which that party's president, Mr. Sergiu Cunescu, was also present. Several conclusions could be drawn from this news conference and the discussions conducted with some of the delegation members.

The Socialist International never broke relations with the PSDR over the past 40 years as it continued to exist through its exile section. Now it will be completely reintegrated as the representative of Romanian social-democracy. There are other political groups in Romania which feel close to social-democracy. This group includes the National Salvation Front, which actually wants to adhere to the International. However, this is not a topical question yet, because first the Socialist International has to see whether the Front is indeed a well-structured and homogeneous party and it also has to see to what extent the Front's program comes close (in theory and especially in practice) to the line of social-democratic parties. [passage omitted]

The Socialist International responded favorably to the request of the historical parties to send observers to the 20 May elections. [passage omitted] The importance of the idea of social justice in the social-democratic doctrine was reaffirmed and the hope was expressed that Romania will become a modern social-democratic and European country.

Brucan on Salvation Front, Elections

PM1904145090 Paris LE MONDE in French 19 Apr 90 p 3

[Interview with government adviser Silviu Brucan by Sylvie Kauffmann in Paris on 17 April]

[Text] Silviu Brucan has gained his reputation as the new Romanian regime's eminence grise and is reluctant to say what his role is. Since his resignation in early February from the National Salvation Front Executive Bureau, he has not left his office where, he said, he continues to work. "I have agreed to remain as an adviser," he explained to LE MONDE on Tuesday, 17 April, during a short visit to Paris at the invitation of the Political Sciences Association.

To whom is he adviser? Is it to President Iliescu, is it to the National Salvation Front (the movement in power since Ceausescu's fall), or is it to the Provisional National Unity Council? "To anybody who needs my advice," Mr. Brucan replied. "But I no longer have any official power." However, Brucan, who was a senior official in the former regime until Nicolae Ceausescu placed him under house arrest, continues to regard foreign affairs as part of his duties. His presence at the Romanian embassy in Paris when Mr. Paleologu, the ambassador, was recalled to Bucharest, was merely a "coincidence." Recalling that he had "chosen my friend Paleologu for this position because he is a man of remarkable intellectual caliber," he showed no mercy to

this ambassador who made a "secret trip from France to Switzerland" to meet King Michael there.

"Secretly! Even the other diplomats did not know about it!" But was it known in Bucharest? "We have many friends here and in Switzerland who informed us." The fact that Mr. Paleologu spoke on French television and said that Prime Minister Petre Roman was "too young" had nothing to do with his recall, Mr. Brucan added, because "the French can judge Mr. Roman for themselves." The king, who made the mistake of trying to "make a private visit to Romania with a charter plane full of 80 journalists"—a visit "heralding new disturbances"—will be able to visit his country "after the elections," he said.

Mr. Brucan, whose remark was reminiscent of the man who was a member of the communist apparatus at a time when the "Central Committee Propaganda Department" worked wonders, said that "the Front's weakest spot is propaganda in which it has lost almost every battle: first, because it does not have an adequate organization for that, and second, because it does not have any competent people in this sphere. Compare Hungarian and Romanian propaganda and you will see the difference."

But what about the reports of reductions in the circulation of newspapers before the 20 May elections, the launch of a new Front newspaper, and the complaints by opposition parties of unequal access to television? According to the Front's "adviser", that is merely exaggeration. And the Front "has only one newspaper, although others are sympathetic to it." With regard to television, "people complain that they see too much politics on it and they are right."

"Retroactive" Dissidents

Mr. Brucan is particularly irritated by what he calls "retroactive dissidents" who criticize the Front and "manipulate the French press, including LE MONDE," like writer Octavian Paler (LE MONDE published an interview with him on 12 April which Mr. Brucan had in front of him). "A large section of the Romanian intelligentsia toed the line under Ceausescu and are now facing a moral problem. Because those intellectuals did not have the courage to be dissidents under Ceausescu, they have decided to be dissidents now because it is not dangerous."

Mr. Brucan has no worries about maintaining law and order and organizing the forthcoming elections, both presidential and parliamentary. "I think", he said, "that the presence of foreign observers will be very important to discourage those who have organized political violence in Romania because they are worried about their image in the West." Who are "they?" Mr. Brucan looked surprised: "I think you know very well. They are the right wing of a major political party."

According to him, Ion Iliescu is in a good position to win the presidential election because "chairing a provisional parliament live on television, successfully controlling more than 30 political parties, was a very good education in democracy. The parliamentary elections present serious and difficult problems."

The struggle, Mr. Brucan thinks, will be between three parties—the National Liberal Party, the National Christian (Peasant) Party, and the Front. Although surprised by the rise of the National Liberals compared with the National Peasants, Mr. Brucan is counting on the desire for security among the voters who have seen the Front at work but not the other parties. "What will count in the final analysis is that the vast majority of people will be reluctant to take risks," he thinks. "People will realize that the Front is a necessary evil in an unstable situation."

Appeal To Ban Former Securitate From Elections

AU1904143490 Bucharest DREPTATEA in Romanian 12 Apr 90 p 1

[Unattributed editorial note published as boxed item]

[Text] We suggest that our readers participate in the national action of collecting signatures for an appeal calling for the endorsement of the following text—point 8 of the Timisoara Proclamation—as an amendment to the electoral law:

"For the first three consecutive legislatures, it is prohibited to include former communists and former Securitate officers on any list for central and local elections. Likewise, during the same period, it is prohibited to nominate former Romanian Communist Party activists for the position of Romania's president."

The appeal can be signed also at the editorial office of the DREPTATEA newspaper.

Transylvanian Unity Party, Republican Party Merge

AU1904185090 Bucharest ROMPRES in English 1746 GMT 19 Apr 90

[Text] Bucharest, ROMPRES, 19/4/1990—In view of the May 20 elections, the National Unity Party of Transylvania and the Republican Party have agreed to get allied and enter the election as "The Alliance of Roman Unity". The convention was concluded in a joint meeting held in Brasov, where the Republican Party was represented by its chairman Ion Minzatu.

Vatra Denies Having Become Political Party

AU1904181790 Bucharest Domestic Service in Romanian 1700 GMT 19 Apr 90

[Text] In connection with certain information broadcast by international news agencies, information according to which the "Vatra Romaneasca" Union has become a political group, ROMPRES published a statement by Mr. Radu Ceontea, president of this organization, in which he notes that the idea of identifying the "Vatra Romaneasca" Union with the Transylvanian Romanians' National Unity

Party can in no way be accepted. However, if, for slanderous reasons, certain people belonging to propagandist circles spread theories and circulate ideas and principles that do not belong to us, they should assume responsibility for them, noted Mr. Ceontea.

Vatra Romaneasca Statements on Party, Platform

AU1904202090 Bucharest ROMPRES in English 1921 GMT 19 Apr 90

["Transylvania—Necessary Details"—ROMPRES headline]

[Text] Bucharest, ROMPRES, 19/4/1990—The ROMPRES news agency has received on its printers two texts released by some foreign agencies in connection with the setting up of the National Unity Party of Romanians. Since the ROMPRES is groundlessly quoted as the source, we give below the necessary explanations contained in the declarations made to the ROMPRES correspondents by Engineer Constantin Ivasiuc, chairman of the Party of National Unity of Transylvania, as well as by Radu Ceontea, chairman of the Vatra Romaneasca Union. Here are excerpts from the declarations:

Constantin Ivasiuc: "The National Unity Party of the Romanians of Transylvania pursues purposes in harmony with the state and law order, with Romania's sovereignty and national independence. The speculations upon the idea that we are the political emanation of the "Vatra Romaneasca" Union, tendentiously labelled 'a fascist-type organization' are and remain what they are: mere speculations. With no substantiation in facts and realities. Our platform-program clearly stipulates that the party is open to all honest citizens in Romania and has nothing to do with hatred, revengefulness and any attitude that might lead to totalitarianism, while equally recognizing the Romanians' belonging to the hearth of Romanian spirituality, wherever they are. We also declare for Romania's integration in the economic structures of the European community, for the free flow of cultural-artistic values, for the Romanian openness to universality. On campaigning for a constitutional republic, with a bicameral parliament and strict separation of the legislative, executive and judicial powers, our party campaigns for genuine democracy, being definitely against political and any other kind of exclusivism, against dictatorship and tyranny, fighting for the guaranteeing and actual materialization of human rights, irrespective of nationality, sex, religion or political beliefs.

"If, in spite of this program, of the real, generous and widely humanitarian purposes, there are some who say we have thoughts and intentions which neither our party as a political organization, nor its members have had or will ever have, it is their business, and their tendentious assessment of us does not define us but them. We consider that the situation emerged in some zones in Transylvania, with the Romanians having to claim rights and be turned down in one form or another in their own country is abnormal. I mean the Romanians threatened away from homes, schools, enterprises or institutions by pressure put up by fanatic Hungarian elements with a Horthyist behaviour. Unfortunately, the same elements, with which not even the large mass of the Hungariam population agrees or can agree, have managed to mislead many of the European media that took over and disseminated false information in utter contradiction with realities.

"I avail myself of this opportunity to appeal to lucidity and a sense of objectivity on the part of journalists throughout the world and to urge them to show patience and professionalism in approaching issues in Transylvania which should be tackled only after both sides of the medal had been known and only after direct, on-the-spot investigation. Continuing to spread news items coming from extremist, biased sources they do a great disfavour to the young Romanian democracy, which we so far understood they wanted to support, to the Romanian people as a whole and to the very idea of a free press, set on the truth and guided by a sense of justice."

Radu Ciontea: "Owing to the aspirations it shares, the thinking and the principles it promotes, the "Vatra Romaneasca" Union identifies itself with this beautiful country, round as a bread as the port says, which is Romania. If there is a paradox that paradox is the way in which some peopla, whom we cannot consider our friends—or, if they say they are our friends they fall prey to anti-Romanian, chauvinist and extremist influences distort a reality to which not only the members of the "Vatra Romaneasca" Union, but others as well, could testify for lack of knowledge, I do not wish to acuse them of ill intention [sentence as received]. The paradox is that now, more than a month after we had made our thoughts known by releasing the statute of our organization and our programme-declaration in a large number of copies, there are journalists and maybe politicians, too who refuse to gather correct, honest pieces of information on the truth and who spread denigrating, unreal and incomplete information items in the mass media. We were called fascists, we were called hydras, we were called extremist chauvinists in an attempt not to express a reality but to denigrate an organization whose programme is and tends to be that of a truly, highly popular organization in Romania.

"As for the news item that identifies the 'Vatra Romaneasca' Union with the National Unity Party of the Romanians in Transylvania, this is a downright erroneous interpretation. [no closing quotes as received]

Our statute clearly shows: The Union is a public organization which is not political in character, which is subordinated to no party interests, which is unpatrimonial and which aims at attaining its goals by legal means, through debates on artistic and literary traditions, through knowledge of the social and economic phenomena in the Romanian society, as a unitary statal existence. If the National Unity Party of the Romanians in Transylvania espoused or espouses "some social and cultural principles" of the "Vatra Romaneasca" Union this can in no way [be] taken to mean that "Vatra

Romaneasca" identifies itself with the aforesaid party. And if, for denigrating purposes, there are people and or propagandist circles that spread writings setting forth ideas and principles that are alien to us they should assume responsibility even if some of those writings bear the seal of the national union of "Vatra Romaneasca", a seal which, I should like to point out, was stolen on the night of March 20 when violence broke out in Tirgu Mures and when the "Vatra Romaneasca" was devastated and destroyed."

Liberal Party's Campeanu To Run for Presidency

AU1904143090 Bucharest Domestic Service in Romanian 1300 GMT 19 Apr 90

[Text] Bucharest Central Electoral Bureau has informed us that the second candidacy for the position of president of Romania was registered today for the 20 May elections: Mr. Radu Campeanu, president of the National Liberal Party.

ADEVARUL on Attempts To Buy Up Papers

AU1904130790 Bucharest ADEVARUL in Romanian 13 Apr 90 p 1

[Gh. Ionita article: "Piracy"]

[Text] We have been informed that very "enterprising" individuals, with characteristics of enthusiastic collectors of newspapers, in certain regions of the country are buying "en masse" only one type of publication. What is their goal? That the truth should not reach the eyes of readers through ADEVARUL. It is clear that this action of piracy in the field of mass media is meant to consistently maintain live in the minds of some readers only certain "truths." That is, those which are orchestrated and have a fixed goal. We will continue to report further on such actions that are at variance not only with democracy but also with the laws of our country.

Military To Take New Oath of Allegiance

AU1904102090 Bucharest Domestic Service in Romanian 0400 GMT 19 Apr 90

[Text] Beginning yesterday, the members of the Armed Forces, who are doing their military service, no matter in what form—high-ranking officers, officers, noncommissioned officers, military technicians, students of technical faculties, cadets of military schools of all grades, and conscripts—will take the new and sole military oath of allegiance toward the homeland. It includes the oath to defend the country, even by sacrificing their lives, and to observe the country's laws and military regulations.

Metal Industry Overfulfills Production Goal

AU1904134190 Bucharest ROMPRES in English 1117 GMT 19 Apr 90

[Text] Bucharest ROMPRES 19/4/1990—The Romanian metal industry overfulfilled the marketable production programme for the first quarter by 4.6 percent, sensible increases being registered with metallurgical coke, crude pig iron, steel, rolled steel, hot-rolled and welded pipes, cold-rolled sheets and bands, says Mr. Ion Chesa, minister of metal industry.

Special attention was paid to implementing the programme for high alloy steel (15 percent more than planned). The special steel combine in Tirgoviste scored a 33.3 percent growth, the metallurgical combine of Cimpia Turzii a 5.5 percent increase and the Resita iron and steel combine a 29.4 percent rise.

The share of alloy and high-alloy steel in the overall production of the first quarter was of 10.5 percent, as to nine percent in the first trimester last year. The growth was continuous being of 13 percent in March. The value of one tonne of steel was of 8,688 lei from 8,200 lei in the same period last year.

In the first trimester, the iron and steel combines were operated at roughly 80 percent of their capacity as they were not supplied with materials, energy in particular, or were overhauled.

Stress was laid on the generalization of efficient technologies—such as liquid steel vacuum treatment—on the expansion of the gamut of low-alloy steels melted in oxygen converters, and not in electric furnaces, coupled with continuous casting. Satisfying results were scored by the iron and steel combine in Galati. These are just a few examples illustrative of the current process of retechnologizing the metal industry, of turning it profitable and orienting the Romanian metallurgical units towards a market.

Romanian-Language Weekly DIRECT in Oradea

AU1904133790 Bucharest ROMPRES in English 1226 GMT 19 Apr 90

[Text] Bucharest ROMPRES 19/4/1990—The Romanian-language weekly "DIRECT" has been founded in Oradea, in north-western Romania, by Romanian and Hungarian journalists (editor in chief: Mr. Gheorghe Moldovan).

Noteworthy is the fact that about 20 Romanian-language periodicals and 11 Hungarian-language periodicals come out in Bihor County and in Oradea, its county seat.

* Activities, Slogans of Trade Unions

90BA0038A Bucharest ROMANIA LIBERA in Romanian 3 Apr 90 pp 1, 2

[Sorin Rosca Stanescu article: "Who Is Afraid of 'Fratia'?"]

[Text] Unsolved, postponed, or ignored, the basic problems of the trade unions are inevitably transferred to the political realm. This logical consequence became a reality on Sunday morning, when the Fratia [Brotherhood] Confederation organized its first meeting (not in front of a deaf building such as the Victory Palace) with speakers and an audience. The "stand," consisting of a truck on which the confederation's main representatives

stood, and equipped with amplifiers, was donated by the drivers' trade union. If the speeches and the slogans chanted by the thousands of listeners sometimes had a political character, that was not (as a National Salvation Front spokesman tried to imply on Sunday evening on television) the fault of the participants in the largest trade union demonstration. As it emerged, it was simply a matter of important demands—which, nota bene, had nothing to do with higher pay—that had been put off by the old structures damnably still in place 100 days after the Revolution.

The Fratia Confederation organized meetings on Sunday in several localities in the country. Here we want to begin by reporting some of the slogans carried by demonstrators and chanted on Sunday in the Unirii Square. "Fratia—The power of the powerless," "The emanation of the revolution is not a neocommunist-type party, but the proclamation of Timisoara," "UGSR [General Union of Romanian Trade Unions]—The Provisional organization committee of the free trade unions," "Decentralization," "No UGSR activists," "Beware of UGSR traps," "A sleeping school begets monsters," "We will not accept a new communist experiment," "We want new inspectors," "Our students will not wait," "Don't divide us," "No communist nomenklatura," "Communists, do not undermine democracy," "The free trade unions have a right to UGSR funds," "Economic democratization," "Decentralization, justice, and truth," "UGSR has a new name but the same old vices," "New cadres for new times," "The Timisoara proclamation will wake up the country," "Freedom and brotherhood for all nationalities," "Who is undermining education?" "Quality or quantity?" "NSF [National Salvation Front]—The RCP leftover," "We elected the free trade unions from the bottom up," "Jinga—The pillar of communist education," "To democracy through the trade unions," "NSF, NSF, the KGB'S agents," "The people of Ploiesti don't want neocommunism," "NSF, history does not forgive!" The demonstrators chanted: "Down with communism," "Down with Securitate," "Timisoara, Timisoara," "Come with us like on the 22nd," "The last solution is another revolution," "Down with Iliescu," "Who shot at us on 16-22?" "Fratia."

The participants in the meeting observed a minute of silence in memory of the heroes of the Revolution which was not shown on the Free Television clip. The following are some excerpts from the speeches delivered:

—"The Fratia Confederation is struggling to democratize the country's economic life. It is the opposite of the UGSR-type trade unions, which betrayed and continues to betray the workers." (Miron Mitrea, leader of the Drivers' Trade Union).

—"The Romanian educational system is the most seriously affected by the perpetuation of Communist structures. For almost three months we have been waging fierce struggles to rescue the wounded dignity of teachers and to stop maiming and corrupting the pure souls and consciences of tens of thousands of children. Our trade union, which has 50,000 members, has been accused by the same ideologues of the Communist educational system who have remained in a minority at the head of the ministry." (Catalin Croitoru, Pre-University Trade Union).

—"Communism has changed its garb, its appearance, but it is still lying to us about democracy. We all know what kind of democracy it has in mind. Here, today, this Fratia, which incorporates the best Romanian brains and the best Romanian workers, has won. No one can divide them. But we must not rest on our laurels. We must continue to struggle. Communism is devious." (Octav Radulescu, Association of Former Political Prisoners).

—"In the Bihor County, the old Communist structures have been restored to the inspectorate leadership under the benevolent eyes of the Ministry of Education. The leadership continues to be made up of inspectors who have worked in the area for over 20 years. The same is happening with school principals. We want a new minister and new inspectors." (Virgil Blaj, secretary of the Bihor County Council).

—"The League of Romanian Children's Rights protests against the manipulation of children by communism and neocommunism. Down with neocommunism!" (Ludovic Roman).

—"Join us, we are struggling for all the teachers in Romania. For three months Minister Sora has been saying that he wants a dialogue, that he has the interests of Romanian education at heart, and that he wants 'convergent anarchy.' Dear colleagues, what does convergent anarchy mean? What is this anarchy worth, and when will we reach the convergence? Join us, the Fratia trade unions. You have children in school; don't let their souls be maimed like Romnian culture has been." (Simina Batim, deputy chairman of the Pre-University Education Trade Union).

—"The Group for Social Dialogue is fully behind the Proclamation of Timisoara. The principles expressed in it are in fact the true thoughts and feelings that inspired us in our Revolution. As you have seen, the mass media, or rather the disinformation means of the present government, tried to knock down the Proclamation. Down with Iliescu! Please take a look at the list of the current government: The directors general are still in place, in their positions. The former deputy ministers have been appointed directors general, secretaries of state have become deputy ministers, shuffled from one ministry to another. Activists, members of the nomenklatura, and high-ranking securitate officials are being moved from one county to another. It's a shame. The free trade unions, whose members were elected from the bottom up, will win. It is them we must follow toward progress." (Stelian Tanase).

—"The old UGSR is defending its money like a hen does its chicks. But the money is ours, too. We all paid in our contributions, membership was not free, we were forced to contribute." (Octavian Teodoru, Independent Trade Union of the Aviation Institute).

—"The Fratia Confederation will not run its own candidates in the elections and is not running as an organization. But that does not mean that we are not

involved in politics. The Revolution will continue until Romania is effectively democratized." (Nicolae Hantu, Independent Trade Union of the Bucharest Municipal Supply Base).

—"Shaken communism propped itself up on the thick crutch of the UGSR, disguised itself into neocommunism, and is regaining its lost positions, using for the purpose all the means made available by its vast fortune, dishonestly amassed from the working people. It is fully using the old structures, maintained by the UGSR network through intimidation or temptation, rumors and gossip. They were organizing workers' control while we were dying. They betrayed the good faith of some honest trade unions. We will have to go into the streets again. Members of 'Working Romania,' what made you suborn the independence of the UGSR?" (Teodor Tescu, Policolor Independent Trade Union).

—"The limits of respect for human dignity and freedom are ensured by the trade unions and by trade union liberalism within an authentically democratic state, which we hope Romania will become. The wealth of the trade union did not really belong to the UGSR and it therefore does not belong to the National Provisional Committee of Romanian Free Trade Unions, which is the old wolf in new clothing." (Gabriel Posnaru, the Federation of Trade Unions of Research and Design Workers).

—"The trade unions have been utterly marginalized. In some units, trade union members receive administrative punishments. Although we have 84,000 members, we don't have a headquarters. The Sanitas Trade Union fully supports the objectives of the Fratia Confederation." (Sorin Stan).

Once again, the television was content to show only a few scenes from the first large trade union demonstration-...with no sound. On the other hand, in the evening it tried to plant the idea that meat stores were empty because of the demonstration. Does anyone still believe this sort of thing?

P.S. As of yesterday, the Pre-University Teachers Trade Union—with 50,000 members—affiliated with the Fratia Confederation, has been on strike. It is not demanding higher salaries, but "a new list of inspectors" and a reasonable date for final exams. Shouldn't "professional" inspectors also be tested once in a while?

* Alleged Ambiguities in NSF Electoral Program

90BA0038C Bucharest ROMANIA LIBERA in Romanian 6 Apr 90 p 2

[Ion Stoica article: "Answers That Raise Questions"]

[Text] I don't know whether it was a simple coincidence that Mr. Romulus Ioan Budura was selected to present—easy to guess what, in this electoral campaign—the program of the National Salvation Front [NSF] in an interview that appeared in the latest issue of LUMEA AZI. Since he was introduced as a "member of the NSF Initiative Committee," it appeared that there were no reasons to give priority to his own opinions. However, it is not to be ruled out that the selection was meant as a hint as to who was going to be nominated "No. 1" at the NSF national assembly. Can it be that he has already been listed as such in the NSF hierarchy? Not impossible, although the Bucharest Municipal Courthouse list of registered parties shows him in the 27th place, while the NSF lists only one name for "chairman, deputy chairmen, and secretary": Ion Iliescu, and any changes should have been announced. Anyway, it is only a matter of form. The important thing is who exercises the leading role de facto. As Mr. Iliescu has shed this type of positions, we assume that Mr. Budura is in place "ad interim." Or, in the broadest possible interpretation of the expression "member of the Initiative Committee of the NSF," we can agree that the collective leadership appointed him spokesman of...of what? Because that is precisely one of the questions that the above-mentioned interview left open. We have long known that there was hesitation between defining the NSF as a movement or a party. We were waiting for clarifications. But Mr. Budura did not assume such a responsibility. On the contrary, he prompted additional questions. But let us shorten the introduction and get to the heart of the matter. So let us begin with the beginning.

In the version presented in the interview, the NSF Council was formed, we were told, as "an emanation of the Revolution." It assumed the responsibility of leading the society and established objectives that were included in the platform-program of 22 December 1989. At the time it was a "body of state power." However, time flies, things change, and people get new ideas. This is how it happened that, not long thereafter, anyway, we believe after the "successive emergence of political parties, beginning with the historical parties," with their own programs, "it became clear that the political landscape of the society was missing a political group, legitimized by the Revolution, capable of offering a coherent set of solutions for the entire spectrum of problems confronting the society in keeping with the interests of the great majority of the people." So naturally, said the man who was providing the answers to the questions posed by the LUMEA AZI editor, the social movement that was the NSF gave birth to the political movement that is the NSF. This political movement, which gained legal status on 6 February 1990, "could not abdicate the obligations that it had assumed at the time of the Revolution and consequently, it is preparing to enter the electoral contest."

Let us recapitulate. The NSF, "as a body of state power" and a social movement could not cede the prerogatives assumed as "an emanation of the Revolution." Hence, "it is preparing to enter the electoral contest" as a political movement. That is to say, not as a party. What is the difference between these two forms of organization? We will let the same interviewee answer: "The NSF differs considerably from a political party, especially from a political party in the classical meaning of the words. In what way? First of all by the fact that the NSF

is a democratic political group representing broad social categories, whose program is based on the idea of rallying the creative forces of the country. At the same time, the fundamental source of the Front's political concept and action is the vital needs and basic rights of the individual and the common interests of all Romania's citizens. The NSF is not the representative of a certain social class or category and does not intend to favor anyone's specific interests. Along this line, the NSF is not so much a political party as primarily a political movement. On the other hand, although it is a political movement, the NSF must act in the political realm, i.e., must compete for the power like a political party; it must persuade the electorate that it pursues a series of objectives and that it can guarantee their fulfillment."

I have to admit that, having had an opportunity to become familiar with the platform-programs of the political groups registered so far, I was tempted to suggest to all their leaderships to view themselves as heading a movement, rather than a party. That is because, without any exception, they have objectives similar to the NSF. Hence, they should declare themselves movements, but behave like parties. The pattern is there... At the same time, if they have an ideology, they should give it up. And if they don't, they can still run in the elections, because they can acquire one as they go along, even one or two years after being in power. Evidently, on the pattern of the same model. But to avoid being accused of exaggerating, let us quote Mr. Budura again: "I would like to note that the NSF began as a social action movement motivated by one central idea, namely national salvation, before becoming a classical movement governed by an ideology. It seems to me premature to talk of a specific NSF ideology. In fact, the NSF ideology will be shaped in the course of time in keeping with the realities. This process will be the theoretical synthesis of the conclusions that will be imposed by the rejuventation of the Romanian society, in accord with the basic values of democracy (with a strong social dimension), freedom, and dignity."

The answer to the next question follows a natural course. Because, naturally, in the absence of an ideology, "the NSF did not formulate a platform-program in a doctrinary manner." Nevertheless, the NSF wants to "change the Romanian society in accordance with some broadly accepted values, those of democracy, freedom, and dignity." How does this movement (social or political? the mystery persists) intend to achieve those objectives? From previous statements we knew that the idea of separation among the various branches of power was supported by the NSF, too. Is it possible that we are not "up to date" on the Front's position in this respect? Because, can it still be a question of such a separation, as a guarantee of democracy, since in the same interview, the member of the Initiative Committee spoke of "maintaining social control of the political, administrative, and public institutions, as well as of the bodies of state order and security." In other words, we want separation, but under one leadership....

And finally, not to draw things out and not to steal too many of Mr. Budura copyrights, let us quote a provision that was actually stated even in the title of the interview: "Our place in the new configuration of Europe and of the world will be decided in the coming few years." Is it possible that Romania's place may be elsewhere than on the "old continent" and on Terra [Firma]? Moreover, is it possible that this place may be decided in the...past years? Anyway, the answers we cited raise many questions, which in turn can only produce further perplexity, even among the NSF I'm sure. The NSF emerged as a social movement, became a political movement, and is behaving as a party that—so says one of its leaders—is only now in the process of crystalizing its ideology. Is it preparing a surprise for the next electoral campaign? Because the present one has already begun....

* Dangers of 'New Socialism' Stressed

90BA0038D Bucharest ROMANIA LIBERA in Romanian 7 Apr 90 pp 1, 2

[Vasile Surcel article: "About A Certain Political Option"]

[Text] 22 December 1989 marked the end of the dictatorship for the Romanian people. However, we have to specify which dictatorship we have in mind: the Ceausescu dictatorship, or the dictatorship of the proletariat? Unfortunately, the great majority of people don't distinguish between the two. We have seen and heard a lot about Ceausescu. Perhaps too much. Did so many hundreds of thousands move for only one man? And what did we actually attain? Have we gone the whole way, or only half? Because so far, we have only defeated Ceausescu, not the concept of ceausism. We know what he did. But what did we do? Can we afford to ignore the local leaders, who totally aped their boss, from the clan spirit to the haircut? Can we forget the chanting and support barked when everyone deeply hated him? Who forced us to stage homage-paying shows?! Could we really not have avoided them? At the lower level of the infrastructure each person sought to outdo the others in an inexplicable excess of zeal. Our fault in the past 10 years was not that we did not openly oppose Ceausescu, but that we did not evince a dignified indifference. Passivity could not have been punished. It was that inertia that facilitated his ascent. Another reason was the fearful clique that isolated him from the masses—an isolation tacitly accepted by the dictator—and the lies that infested the social body from top to bottom. When you know that an entire nation, afraid and hungry, hates you and still acclaims you, you cannot but become drunk on power.

However, the most important cause was the system. It was neither the people nor the inner clique that produced Ceausescu. He was primarily the product of a theory. He was both cause and effect. A cause-effect relationship that turns on itself reflects upon itself, thus creating a vicious circle. The system created Ceausescu, Ceausescu "perfected" the system, and both fed each other in a positive feedback mechanism. Communism, like the

framework of manifestation of the proletarian dictatorship, indubitably produces individual dictatorship. Ceausescu was the creation of the megalomania of the small man grafted on a character by Dinu Paturica, encouraged and nurtured by a defective and putrid theory—the still-born child of Marxism.

He and all the other proletarian dictators were the products of that theory. Thus, a process was established between the system and its representative that was self-supporting, albeit not self-regulating. This truth, however, evades the attention of the masses for reasons of subjectivism, fear, or ignorance. In the past years, at times of critical analysis of the various types of socialist societies, dialogue partners supported the validity of the statement: "The theory is good, but it is being applied wrong. People did not understand Marx and generated a so-called ideal socialism." Nothing could be more false! This socialism was as real as possible, as we painfully felt on our own skins. Those who still advocate another form of socialism—allegedly with a human face—ignore the fact that, if they want to perpetuate this type of ideology and society, they must change its premises so radically, that the final result would be something entirely different, certainly not socialism. Otherwise, the new socialism in disguise would share the fate of the old. What we have here are several conceptual errors:

—The primacy of political ideas over economic realities generated—because the demand-supply mechanism was systematically ignored—economic chaos.

—The abolition of private property, which ignored the organic nature of the sense of ownership, based on instinct (an instinct as powerful as the preservation, feeding, or reproduction instincts), discouraged and uprooted the people. If the Romanians endured for 2,000 years at the crossroads of three empires it was not because they were defending an abstract idea of freedom or nation, but because by defending the country each one of them felt he was defending his own land. For Stefan the Great's free holder or the Wallachian peasant, the country was his present or future plot of land. The idea of fatherland was greatly identified with his household in the consciousness of each fighter. On the other hand (according to N. Iorga), a fighting nobility flourished in the Romanian territories, in which the warrior was awarded property in areas visited by invaders for the purpose of strengthening the defense.

—The abolition of political competition, in whose wake came the abolition of any kind of competition, led to the evasion of the law of unity and struggle of opposites.

—Social uniformity at all the levels brought about a sort of complex "wasting" of society. The process was similar to what happens to a terrain that for some reason or another loses its relief.

Ignoring these objective laws, primarily the laws of nature which society cannot escape, the theory of socialism was built on moving sand. It was an artificial body that could not maintain itself and could only survive by force. If opposition is, nevertheless, accepted in socialism, the latter slowly deteriorates and unravels. Social and economic differences and varieties appear as consequences of value and professional differences. The law of natural selection is reinstated. Only thus (by ignoring the law of natural selection) can one conceive of the "humanism" of socialism, which assumes that chances will be given to everyone by limiting values in favor of non-values. The only outcome of this "humanism" is to discourage initiative and individuals of value and to make interest disappear.

What Ceausescu was for the country, almost each "little mayor" was to his community. In a socialist society, those are not the servants of the community, but its masters. Along this line, who can swear that, had he arrived at Ceausescu's position, he would have escaped the thirst for power. One of the indubitable consequences of socialism is dictatorship, and this law applied everywhere. The dictatorship of the proletariat became an individual dictatorship. All the Communist leaders were appointed for life; they issued decrees, rather than laws, and had untouchable positions. The entire procession of leaders, from Stalin to Tito to the current leaders, proved this statement.

This was the cause of the Ceausescu phenomenon; it was not an isolated one, and any form of communism must end in totalitarianism. Let us look this fact squarely in the face and not stop half way. If we do not vigorously advance toward civilization, we risk sliding down on the opposite slope and getting back to the starting point. We must decide what we want to abolish: the communist organizations, or only the Ceausescu ones? Because, by abolishing the communist organizations, we can prove that ours was indeed a struggle for democracy and attain democracy. However, if we eliminate only the Ceausescu structures, the struggle would have been only a struggle for power, and the outcome will be only a transfer of power into other hands.

Loncar, Skubiszewski Discuss Germany, Warsaw Pact

LD1804174790 Belgrade TANJUG Domestic Service in Serbo-Croatian 1508 GMT 18 Apr 90

[Text] Belgrade, 18 Apr (TANJUG)—Yugoslavia and Poland hold that the process of German unification should be concurrent with the process of European integration. These two countries will cooperate more closely in the creation of a new European security system, the foreign ministers of the two countries concluded in today's talks in Belgrade.

Foreign Affairs Federal Secretary Budimir Loncar and Polish Foreign Affairs Minister Krzysztof Skubiszewski—who is on a three-day official visit to Yugoslavia—today discussed only the situation in Europe. Apart from the issue of German unification, which is of vital importance for Poland, the ministers paid attention to the transformation of the blocs into regional cooperation as a path toward full European integration.

In connection with the German issue, Minister Skubiszewski expressed concern over the fact that the pace of unification is presently significantly faster than the pace of European integration, which could be a source of instability. According to him, Poland wants a peace treaty with Germany which clearly regulates the issue of the western border with Germany and the problem of reparations. The fate of many economic agreements between Poland and the present GDR also presents a special problem for Poland, Skubiszewski said.

During the exchange of views about the transformation of the blocs, the Polish foreign minister stressed that the Warsaw Pact is currently strictly an interstate agreement and not an ideological front as previously. The Polish stand is that the Pact should at this moment still retain its role until developments in Europe "are crystallized". In any case, parallel with the future reduced role of the blocs, Poland's interest in the activity of the nonaligned countries is growing, Minister Skubiszewski said.

In connection with this, Budimir Loncar indicated a possibility that the nonaligned ministerial meeting which is to be held in New York by the end of this month, could be expanded to accomodate a certain number of guest countries. Minister Skubiszewski expressed interest in this. This expansion of the nonaligned activity would be, according to Budimir Loncar, a way to relate the European balance of interests as the basis of collective security with the world balance of interests.

Regional cooperation in Europe is a step toward such collective security, according to Loncar. He aired ideas about an interconnection between regional groups through some countries playing a role in two or more such regional groups and, thereby, creating a network of various forms of cooperation on the way toward full European integration.

Minister Skubiszewski expressed interest in such regional cooperation, especially that established between Yugoslavia, Italy, Austria, Hungary, and recently, Czechoslovakia as the fifth member. On the other hand, the Polish foreign minister did not disguise his concern over the disintegrational processes and nationalisms in the USSR, which remains a major Polish partner. In view of this, Skubiszewski expressed hope that the problem of Lithuania's secession will be resolved in a peaceful way and through negotiations.

Due to the wealth of topics touched on in the talks, the foreign ministers scheduled an additional, third round of talks for tomorrow, before Krzysztof Skubiszewski's departure from Yugoslavia.

Markovic on Expanding Cooperation

LD1804222190 Belgrade TANJUG Domestic Service in Serbo-Croatian 1852 GMT 18 Apr 90

[Text] Belgrade, 18 Apr (TANJUG)—Federal Executive Council President Ante Markovic today recieved foreign affairs minister of the Polish Republic, Krzysztof Skubiszewski.

Markovic and Skubiszewski stressed that the economic reforms in the two countries open up new possibilities for improving economic cooperation between Yugoslavia and Poland. They supported the further broadening of cooperation, the development of higher forms of economic cooperation, and greater involvement of Yugoslav and Polish enterprises in the investment activities in both countries.

They also discussed the latest trends and changes in Europe. They particularly emphasized the importance of further strengthening the CSCE processes in the new conditions.

Similarity of Problems Noted

LD1804221590 Belgrade TANJUG Domestic Service in Serbo-Croatian 1903 GMT 18 Apr 90

[Text] Belgrade, 18 Apr (TANJUG)—SFRY President Dr. Janez Drnovsek today received Krzysztof Skubiszewski, foreign affairs minister of the Polish Republic, who is paying an official visit to our country.

In their cordial talks both sides highly assessed the traditional friendship between the two countries and their successful cooperation in all fields. It was noted that the economic problems in Poland and Yugoslavia are similar, and in this connection the guest from Poland noted the special interest in our country's experiences in implementing economic reform.

It was especially noted that the cooperation between Yugoslavia and Poland in the field of economy is important for both sides for the successful inclusion of both countries in the European integration processes.

Foreign Affairs Federal Secretary Budimir Loncar also attended the talks.

Joint News Conference

LD1904213190 Belgrade TANJUG Domestic Service in Serbo-Croatian 1430 GMT 19 Apr 90

[Text] Belgrade, 19 Apr (TANJUG)—Yugoslavia and Poland believe that a new system of collective security in Europe should be developed as soon as possible, as a foundation for its new architecture which will be based on unity, not on the division of the continent into blocs. This was stressed by Foreign Affairs Ministers Budimir Loncar and Krzysztof Skubiszewski at their joint news conference today, after their two-day official talks in Belgrade.

The Polish foreign minister, who ends his official visit to Yugoslavia today, also stressed that both countries agree on the need to include German reunification in the system of European security within the process of the CSCE, which should in time become a separate institution. In this connection both ministers stressed Polish Prime Minister Mazowiecki's idea on the creation of a Council of European Cooperation as a means of institutionalizing the CSCE.

Minister Skubiszewski replied to a question on the reunification of Germany and its future status, saying that this was not for Poland to decide, but he believes but that Germany should be a member of NATO, through which U.S. military presence in Europe is assured. The Warsaw Pact, he said, has now lost its ideological role and it has turned into an agreement on mutual help and self-defense.

Minister Skubiszewski also said that Warsaw and Moscow are now negotiating the withdrawal of Soviet troops from Polish territory, which should not be a problem, because the Soviet military contingent in Poland is of little military importance. He added that the outcome of the negotiations will also depend on the regulation of the status of the Soviet troops on the territory of the present Democratic Republic of Germany, after the reunification of the two German states.

Ministers Loncar and Skubiszewski confirmed that they also discussed the issue of reparations from the future German state. Skubiszewski specified that "we did not set in motion any joint action because it was too early for that." Whether reparations will be paid is difficult to say, but, he holds, Germans will not be able to avoid this issue, which is not just a legal, but moral and humanitarian one. Budimir Loncar agreed, although Yugoslav and Polish stands regarding reparations are different from the legal point of view and, hence, are of different priorities.

On the other hand, the Polish foreign minister said that Warsaw set in motion the issue of reparations from the Soviet Union on account of 15,000 Polish officers executed in Katyn forest in 1940. He said that their families should be compensated, as well as persons deported to Stalin's camps, where they worked and lived in inhuman conditions. In connection with this, Minister Skubiszewski announced that Poland may demand restoration of cultural monuments on former Polish territories, which became a part of the USSR after the war.

Minister Skubiszewski expressed concern over the situation created by the proclamation of Lithuanian independence from the USSR. He stressed that Moscow and Vilnius should find a peaceful solution and went on to add that Poland would take part in these endeavors, although he had no wish to dwell on details of Warsaw activity. So far, the only practical consequence of this conflict is the closure of the Lithuanian-Polish border, which presently, as he put it, can be crossed only by people with official or diplomatic passports.

In reply to a question on the economic situation in Poland and reforms, Minister Skubiszewski said that Yugoslavia's experience in curbing inflation, "which is a serius burden on the Polish population," was very important for his country. Budimir Loncar said that reform processes in former countries of real socialism and in Yugoslavia were similar, but that his country was in a slightly better position today, since it started to open up to the world earlier. In the long term all these processes, said Loncar, lead to the creation of all-European associations, but in the medium-term real socialist economies will encounter great difficulties when they face the world market.

Minister Skubiszewski also appealed to the Yugoslav Government to revoke its decision on the mandatory exchange of $200 for all East European tourists entering the country, which comes into effect at midnight tonight. "Poland is very eager to operate free tourist trade with Yugoslavia, but finds this obligation to exchange currency restrictive," said the Polish foreign minister.

Krzysztof Skubiszewski, who is also professor of international law, visited the International Politics and Economy Institute this afternoon, where he had talks with officials of this scientific institution on the situation in Europe and the aspects of Germany's reunification from the point of view of international law.

Skubiszewski Ends Visit

LD1904180190 Belgrade TANJUG in English 1526 GMT 19 Apr 90

[Text] Belgrade, April 19 (TANJUG)—Krzysztof Skubiszewski, Polish foreign minister, today ended a three-day official visit to Yugoslavia and left Belgrade.

Minister Skubiszewski and his host, Yugoslav Foreign Secretary Budimir Loncar, today held an extra, third round of the official talks, which was mainly devoted to two countries' joint activities in Europe in the future.

The three-day talks between the Yugoslav and Polish chief diplomats were predominantly devoted to major changes in Europe, with focus on the German unification.

Drnovsek Leaves for Official Visit to Portugal

LD2004093390 Belgrade TANJUG in English 0825 GMT 20 Apr 90

[Text] Belgrade, April 20 (TANJUG)—President of the Presidency of Yugoslavia Janez Drnovsek left here this morning on an official visit to Portugal at the invitation of President Mario Soares.

En route to Lisbon, Drnovsek will stay briefly in Madrid for a working visit which will include talks with Spanish Prime Minister Felipe Gonzalez. He will also meet with King Juan Carlos.

Drnovsek's talks in the two capitals will focus on the establishment of closer links between Yugoslavia and European integration—especially the European Community and the Council of Europe—changes in Europe and the strengthening of economic relations with Spain and Portugal.

Tupurkovski Departs for Beijing 19 Apr

LD2004012190 Belgrade TANJUG in English 2245 GMT 19 Apr 90

[Text] Belgrade, April 19 (TANJUG)—Yugoslav State Presidency member Dr. Vasil Tupurkovski left for Beijing tonight, where he will take part in the 14th international conference of lawyers "Global Peace Through Law," as chairman of the Yugoslav National Committee of this lawyers' organization.

During his stay in the People's Republic of China, Tupurkovski will meet and confer with top-ranking Chinese officials.

Presidency Denies Rumors About Deportation List

LD1904165990 Belgrade TANJUG Domestic Service in Serbo-Croatian 1154 GMT 19 Apr 90

[Text] Belgrade, [dateline, words indistinct] Some public information media recently published claims made by Mihalj Kertes, member of the Serbian Presidency, that President of the SFRY Presidency Janez Drnovsek refused to sign the deportation list of Albanian emigrants to Yugoslavia.

The SFRY Presidency's Press and Information Office was authorized to announce that President Drnovsek neither received (?the list) for signing nor has the authority to sign such lists. From this view, it is puzzling that the above disinformation has been persistently repeated.

Army Reply to Democratic Community's Criticisms

AU1904121890 Belgrade BORBA in Serbo-Croatian 12 Apr 90 p 6

[V. Ilic and B. Senic report: "We Accepted Only Well-Intended Criticisms"]

[Excerpts] Belgrade—We can say with certainty that not only the security situation, but also the overall situation in the Army are satisfactory. The Army is united and capable of performing its part of duties in the defense of the independence, territorial integrity, sovereignty, and constitutional order of Yugoslavia under all conditions. This is the essence of the answer provided by Vuk Obradovic, official spokesman for the National Defense Federal Secretariat, to the question concerning the negative influence of the current social trends on the security situation in the Yugoslav People's Army. [passage omitted]

As regards the criticisms of the Yugoslav People's Army heard during the preelection campaign of the Croatian Democratic Community in Zagreb, the spokesman of the Federal Secretariat for National Defense cited part of the speech by the National Defense Federal Secretary General Veljko Kadijevic, delivered during his visit to the fifth Army district:

"Those who today in the election race for power negate all values and achievements in our development up to now, and who offer a fratricidal war, alteration of borders, and disintegration of the country, must bear in mind that this will be prevented. Our freedom was paid for dearly and must be protected by the engagement of all patriotic forces. The Army and Armed Forces as a whole will continue the course of reforms in society and in this way fully contribute to the development of democracy and those processes which will make life richer and more humane, but will, in accordance with their constitutionally defined role, resolutely oppose those forces that undermine the foundations of the SFRY and weaken its defense capability and security." [passage omitted]

Military Official on Charges Against Pucnik

LD1904021390 Belgrade TANJUG in English 1600 GMT 18 Apr 90

[Text] Belgrade, April 18 (TANJUG)—A struggle for legal state cannot be conducted, while proclaiming the observance of laws a provocation, violation of democracy and an interference in somebody's political life, official spokesman of the Yugoslav Ministry of Defence Colonel Vuk Obradovic said at a regular press conference in Belgrade today in relation to the filing of criminal charges by military authorities against Dr. Joze Pucnik, candidate for Slovenia Presidency president.

The charges were filed because Pucnik signed the poster "Demos for Slovenian Army" which offends the dignity of the Yugoslav Army.

Colonel Obradovic explained that under the law on criminal proceedings, the competent military organ had been obliged to file criminal charges in the line of duty, as well as in keeping with civilian obligation.

Colonel Obradovic also said that the fact that the illegal act had been committed during election activities does

not change the natur of the act since criminal and other laws continue in force during an election campaign and the elections themselves, which is well-known and recognized in all legal states.

Counterrevolution Charge Against Vllasi Dropped

LD1904131790 Belgrade TANJUG in English 1120 GMT 19 Apr 90

[Text] Titova Mitrovica, April 19 (TANJUG)—The public prosecutor at the trial of Azem Vllasi and 14 other persons at the district court here on Thursday dropped charges of counterrevolutionary activity against the defendants. The charges have now been reformulated as those of "personal activity."

Former Kosovo communist leader Vllasi and other defendants, largely managers of the Trepca lead and zinc mines in Yugoslavia's southern province have been on trial since October 30 last year accused of counterrevolutionary activity endangering Yugoslavia's social system—a grave offence punishable with sentences ranging from 10 years' imprisonment to death.

Summing up for the prosecution, Public Prosecutor Spasoje Zamfirovic today also asked the court to drop the charges against defendant Sinan Kurteshi, former technical secretary of the manager of Stari [word indistinct] mine.

The court then released Kurteshi from detention. His lawyers, however, were not satisfied and asked the court to declare Kurteshi not guilty.

Adem Demaci Said To Be Among Pardoned Prisoners

AU2004103890 Belgrade Domestic Service in Serbo-Croatian 1000 GMT 20 Apr 90

[Text] Adem Demaci, a political prisoner for a long time, is also among the 108 political prisoners pardoned, according to the decision of the SFRY Presidency. This was what Stipe Suvar, member of the SFRY Presidency and president of the Amnesty Commission of the collective head of state, said at the news conference for domestic and foreign journalists. Suvar added that he, personally, and Janez Drnovsek, president of the SFRY Presidency, will again propose that charges against Azem Vlasi be dropped. I believe that the Presidency will accept our initiative this time, Suvar pointed out.

By the way, there are no more political prisoners in Yugoslav prisons who were sentenced exclusively under Article 133 of the Criminal Code.

Croat Democrats Leader on Importance of Elections

AU2004093490 Zagreb VJESNIK in Serbo-Croatian 15 Apr 90 p 7

[Interview with Croatian Democratic Party President Dr. Vladimir Veselica by Natasa Kraljevic and Jadranko Sinkovic; place and date not given: "Croatia Must Not Fail Test of Democracy"]

[Excerpts] [passage omitted] [VJESNIK] The National Understanding Coalition was presented as a strong unifying Croatian political center. Have the alleged internal clashes over the sharing of candidate places between the different parties and regions not started to bite into its strength?

[Veselica] The Coalition was created because of certain dissatisfaction with the law on elections in Croatia, after the decision was made to proceed with the elections after all. In a situation in which the League of Communists and the Socialist Alliance, as parts of the current nomenclature, retained a number of advantages in relation to other parties—in an organizational and material sense—we had to think about a coalition bloc which would provide the people with a real chance of winning. I do not regard the upcoming elections as merely a form of public auction or manifestation, but primarily as an important part of the process of establishing plural democracy. Croatia must not fail the test of democracy.

Democratic elections should be an expression of the political will of all citizens of Croatia regardless of their national or any other affiliations. I expect that the voting will go in four different directions: the League of Communists of Croatia, the Socialist Alliance, and some sections of other parties; the National Understanding Coalition; the Croatian Democratic Community; and others. If we proceed from the fact that Croatia has some three million voters, that all parties have about 500,000 or 600,000 members (although this data has been disputed), and that some 10 to 15 percent of voters will abstain from voting, then there is only some two million votes for which the parties will fight. [passage omitted]

[VJESNIK] Not even a month has passed since you said that the Croatian Democratic Party will win 30 percent of the votes at the elections. Why did you join the Coalition in view of such optimistic expectations?

[Veselica] The Croatian Democratic Party is an important party in the Coalition in terms of both membership and representatives in different communes. So far we have covered about 60 percent of the communes in Croatia. These activities have now reached their peak. I personally think that the number of members is not the most important feature of a party. For instance, in the FRG the coefficient of party politicization [koeficijent stranacke politizacije] is about two percent and all parties have about 1,200,000 members altogether. It is understandable that our coefficient is somewhat higher. One should bear in mind that the newly created parties

are not mature enough to be totally prepared when they contest the elections. [passage omitted]

[VJESNIK] What will the Coalition do first if it wins the elections?

[Veselica] We think that the key question for Croatia would be to set up a constitution-creating assembly. In other words to adopt above all a new, shorter election law which would treat the problem of Croatian diaspora differently, using the experience of countries with a similar problem. The second task—and this is why the structure of the assembly, especially of the Sociopolitical Chamber, is important—would be to regulate relations in Yugoslavia, because the political and constitutional-legal position of Croatia will determine its political future and relations in Yugoslavia. Of course, it would be logical and democratic to expect political confrontations to crystallize what is an optimum for Croatia. Looking at all constitutional-legal, political, and economic trends, we, in the Croatian Democratic Party, think that Yugoslavia should be organized as a confederation, although many people think—in view of the 1974 constitution—that we are already organized as such. Opposition concerning this is great. However, this is not a theoretical discussion but a real political question.

[VJESNIK] Is one not raising the question of republican borders with this?

[Veselica] No. However, nothing is forever. Or, to be more precise, our view, as regards Bosnia-Hercegovina, is that it is completely equal to the other republics politically and in terms of status, constitution, and law, regardless of its complexity. [passage omitted]

[VJESNIK] How do you view the measures of Markovic's economic policy?

[Veselica] His laws—ranging from the law on enterprises, banks, social capital, convertibility of the dinar...—are not bad, but our economic concept is more radical, especially because we want to abolish social ownership. However, it is unacceptable that the Federal Executive Council should be the exponent of constitutional changes. I especially disagree with the concept of strengthening the federation, because there is a justified fear of state organs becoming stronger, something that would only increase the likelihood of interethnic tensions. I think that the Constitutions should be discussed by a new assembly rather than the present one.

[VJESNIK] How do you view the position and political stands of Serbs in Croatia?

[Veselica] The National Understanding Coalition is a coalition of an open type. Recently, it was joined by the Muslim Democratic Party and the Democratic Alliance of Croatian Albanians. In principle there would be no objections to the Serbian Democratic Party, or any other party of a similar character, joining the coalition. After all, in Croatia we have a good tradition of Croatian-Serbian coalitions. I think that the Serbian parties' failure to join the coalition is a consequence of a certain kind of misconception. Some Serbs proceed from the premise that they will not be safe unless they keep links with the rest of Yugoslavia and the unified League of Communists. This is a misinterpretation of the state of affairs. [passage omitted]

Serbs should understand that no nation in Yugoslavia can have two national states. Considering that the Croats can only build their national state in Croatia, this territory is the national state of the Croatian people, and, in this sense, a state of all of its citizens, which means that every citizen in Croatia can enjoy to the full all of his rights.

[VJESNIK] Considering how things could turn up, and considering that Croatia could enjoy a much greater degree of independence, how do you view the possibility of autonomous regions, be they Serb, Istrian, or Dalmatian?

[Veselica] I think that this would be disastrous for Croatia and therefore unacceptable. Croatia may have regional characteristics, but I think that the attempt to establish an autonomous region of Istria amounts more to the disintegration of Croatia than a political platform that would be supported in reality. Zagreb has allegedly neglected the development of Istria, but we also know that it was not able to develop itself either.

The Croatian Democratic Party is against the creation of autonomous regions or provinces in Croatia. We are in favor of full citizens' freedoms. In this context I think that the Serbs in Croatia are not threatened. [passage omitted]

[VJESNIK] Do you think that Croatia and Slovenia could join a united Europe on their own?

[VESELICA] At present this is a problem of a institutional nature, because, by being republics, Croatia and Slovenia are not treated as subjects in international relations. However, I think that it would be in the interest of all republics to join Europe. Setting up Yugoslavia as a confederal community and its entry in into Europe as a community of countries would create more space to Balkanism.

TANJUG Details Croat Elections 22-23 Apr

LD1904141690 Belgrade TANJUG Domestic Service in Serbo-Croatian 0922 GMT 19 Apr 90

[Text] Zagreb, 19 Apr (TANJUG)—The first multiparty elections for the Croat Assembly are to be held on 22 and 23 April; 1,706 candidates will compete for 356 assembly seats. In other words, each assembly seat will be contested by five candidates from over 30 political parties.

About 3.5 million voters will decide who will occupy 80 seats in the Assembly's Sociopolitical Chamber, 116 seats in the Municipalities Chamber and 160 seats in the

Associated Labor Chamber. The largest number of candidates, 856, almost half of them independent, will compete for seats in the Associated Labor Chamber; 382 for seats in the Sociopolitical Chamber; and 468 for seats in the Municipalities Chamber. The largest number of candidates, 326 for all three chambers, has been put forward by the Croat LC [League of Communists] - The party of Democratic Changes; Croat Democratic Community [Hrvatska Demokratska Zajednica] is entering 272 candidates; the National Accord Coalition [koalicija narodnog sporazuma]—264; and the Socialist Alliance of Croatia [savez socijalista hrvatske]—166.

Elections for chambers in municipal assemblies and for the Croat Assembly's Chamber of Municipalities and the Sociopolitical Chamber will take place on 22 April. Elections for associated labor chambers at all levels will be held on Monday, 23 April.

The candidate to go through after the first round of voting will be the one who receives over half of the votes cast. The number of votes received by a single candidate must not be below one third of the number of all registered voters in a particular electoral unit. If no candidate wins the necessary number of votes after the first round, the voting will be repeated on 6 and 7 May. The second round of voting will be entered by at least two candidates who received the number of votes stipulated by law plus candidates who receive at least seven percent of votes cast. The second round of voting will not take place unless there are at least two candidates in the running in a particular electoral unit. The winner in the second round will be the candidate who receives the largest number of votes cast. The voting will be repeated if two candidates receive the same number of votes.

In view of the number of candidates entered by various parties it seems that the fiercest competition will be between the following three parties: Croat LC—The party of Democratic Changes, the Croat "bloc" which includes the Croat Democratic Community as the strongest party, and the National Accord Coalition which comprises 11 parties.

Croat LC Members Launch Youth Democratic Forum

LD1904203790 Belgrade TANJUG Domestic Service in Serbo-Croatian 1617 GMT 19 Apr 90

[Summary] Zagreb, 19 Apr (TANJUG)—Over 300 young members of the Croat League of Communists [LC]-Party for Democratic Reforms gathered in Zagreb today to launch the Youth Democratic Forum. They adopted guidelines for future activities and announced a constituent assembly for May this year. The Forum will be an autonomous organization but will act within the framework of the Croat LC-Party for Democratic Changes. It will fight for the peace, security and freedom of every man.

TANJUG Surveys Croatian Election Scene

LD1904214190 Belgrade TANJUG in English 1850 GMT 19 Apr 90

["Ahead of multi-party general elections in Croatia; ex-communists vs. communists (third in a series of three daily features); by Borislav Korkodelovic and Zorica Markovic"—TANJUG headline]

[Text] Belgrade, April 19 (TANJUG)—The main contest at the first post-war multi-party elections in Croatia will be for the seats in new parliament of the second-larget Yugoslav republic, and leading figures of the competing parties or coalitions, their charisma and authority will play an important part in this.

The League of Communists of Croatia-Party of Democratic Changes (LCC-PCC), the Croatian Democratic Bloc (CDB) and the Coalition of National Agreement (CNA)—the main three rivals led by Ivica Racan, Dr Franco Tudjman and Dr Savka Dabcevic-Kucar respectively—will vie with one another in a kind of competition between ex- communists and communists. Dr Tudjman disappeared from Croatia's political scene in the latter half of the 1960s when Dr Dabcevic- Kucar still had the main say there, only to step down in the early 1970s when Racan's name become more frequently mentioned.

Racan (47), a lawyer by profession has covered the path from youth activist to a member of the top leadership of the Yugoslav Communist organization in a period plagued with its biggest rifts and divisions. The party's election slogan, "We mean business," was formulated on the basis of his closing speech at the 11th Congress of the League of Communists of Croatia (LCC), which elected him president.

The LCC-PDC's election programme calls for a peaceful, happy life in modern, democratic Croatia and pays special attention to ecology and the economy.

Racan's party believes that he deserves great credit for his "historic no" to democratic centralism in the Communist Party and, among other things, for attracting a considerable number of intellectuals to his side.

Dr Tudjman (68), a [word indistinct] and former Communist, is exceptional in that, after being sentenced to a jail term for Croatian nationalism and separatism, he was stripped of his rank of major-general by the supreme commander, Marshal Tito.

A doctor of history who heads the bloc's leading party, the Croatian Democratic Union (CDU), Dr Tudjman is uncompromising, extremely radical and creates an atmosphere of revanchism around him. His unconcealed ambition is to be "the greatest Croat" and he came out with an exclusive Croatian program, paying no attention to the feelings of non-Croats who make up nearly 30 per cent of the republic's population.

Asked in an opinion poll whether they would like to see Racan, Tudjman or Dabcevic-Kucar as Croatian head of state, the interviewed were sharply divided on the second candidate, with both the positive and negative answers recording a majority.

"A woman of authority," the name by which Dr Savka Dabcevic-Kucar became known since joining the partisans, where she was a prominent youth leader, has followed her when premier of Croatia and president of its Communist Party and on to the present day when, at 68, she looks full of life and energy.

Twenty years ago, Dr Dabcevic-Kucar and her closest aides, among whom the then member of the Presidency of Yugoslavia Miko Tripalo, left official politics as nationalists on the extreme right of the Croatian political scene. Their charismatic personalities now give special weight to the Coalition of National Agreement, which could be classified as centre.

In her person, Dr Dabcevic-Kucar unites different political options which would not stand great chances individually. What they have in common is the rejection of communism and the advocacy of a confederal Yugoslavia with the existing borders between the six constituent republics. It is claimed that Dr Dabcevic-Kucar, possibly at the head of the Croatian state, would be a tough negotiator in advocating such attitudes.

Slovene Church Denies Role in Election Campaign

LD1904143490 Belgrade TANJUG Domestic Service in Serbo-Croatian 0931 GMT 19 Apr 90

[Text] Ljubljana, 19 Apr (TANJUG)—Ljubljana Archbishop and Metropolitan Alojzij Sustar denied claims made by Jozef Skoljc, president of the ZSMS [Slovene Socialist Youth Federation]-Liberal Party, that the church in Slovenia "interferred in the election campaign."

An open letter to Skoljc Sustar stresses that "the Slovene regional bishops' conference has never recommended any party. Its priests have been warned that political issues have nothing to do with worship and the church."

In reference to Jozef Skoljc's remark that in some churches leaflets were distributed promoting Demos, Alojzij Sustar denies that the bishops' conference had anything to do with it. I have not heard about leaflets being distributed in churches, but I have been told that leaflets were distributed outside some churches. This, the archbishop strsses, [words indistinct] in public places accessible to all individuals and parties.

In conclusion, the Ljubljana archbishop and metropolitan stresses that he, personally, is "against the church becoming a prominent political factor," which Jozef Skoljc has attributed to the church.

Opinion Poll in Slovenia Predicts Kucan Victory

AU2004074590 Belgrade Domestic Service in Serbo-Croatian 0200 GMT 20 Apr 90

[Text] The second round of presidential elections is to be held in Slovenia the day after tomorrow [22 April]. According to the results of the latest opinion poll, Milan Kucan should get 63.2 percent and Joze Pucnik 36.8 percent of the votes. This poll has also shown that the turnout is not going to reach the level of two weeks ago; many Slovenes will not vote because their candidate, Kramberger, is not in the second round.

Bosnian, Montenegrin LC's Hold Talks

AU1904163790 Sarajevo OSLOBODJENJE in Serbo-Croatian 15 Apr 90 p 1

[Unattributed report: "Collective Awakening"]

[Text] At the invitation of the Presidium of the Central Committee of the League of Communists [LC] of Bosnia-Hercegovina, a meeting between representatives of the Presidium of the Central Committee of the LC of Bosnia-Hercegovina and the Presidium of the Central Committee of the LC of Montenegro was held in Sarajevo on 13 April. This meeting was organized with the aim of finding a joint way out of the situation created after the interruption of the 14th extraordinary congress of the LC of Yugoslavia and the working- consultative meeting of the Central Committee of the LC of Yugoslavia on 30 March of this year.

It was proposed that the future activities of the LC of Yugoslavia should be freed from all technical and trivial issues so they can define the most rational solutions for surmounting the current situation in the LC of Yugoslavia on the basis of the already reached accord on program orientations. It was also stressed that the leaderships of some sections of the LC must assume the greatest responsibility for finding the most rational strategy for the integration of a new, reformed, and democratic organization of Yugoslav communists, considering that this is demanded by the program orientations and the membership. The two sides expressed identical views on the basic program aims of such an organization: This organization must strive for a modern Yugoslav federation, full equality of all Yugoslav peoples and nationalities, democratic socialism, a society of free citizens, a law-governed state, and a modern economic development of Yugoslavia.

It was concluded that all parts of the LC of Yugoslavia agree on these program orientations and that therefore one should eliminate all irrational approaches to the questions concerning the fate of the 14th extraordinary congress of the LC of Yugoslavia. Therefore, it is now important to discard the calculations about who was right and who was wrong, and insist on the formulation of specific operational solutions which will enable the LC to find a way out of the current stalemate, something that will represent a step toward the reintegration of the

LC of Yugoslavia on the new democratic foundations in line with its transformation into a pan-Yugoslav political party.

The two sides expressed the view that it is necessary to organize a meeting of Yugoslav communists which would, regardless of what it will be called, be a gathering for democratic and program reforms in the LC of Yugoslavia. This meeting should be organized once all the conditions have been created to guarantee success for creating conceptual and program unity between all parts of the LC concerning the fundamental questions and the fate of LC of Yugoslavia.

Accordingly, it was insisted that there is a need to reestablish the confidence of Yugoslav communists through joint measures, aims and program orientations that are not controversial in their essence. The two sides expressed the identical view that conditions exist for confirming the ability and readiness of the members of the LC to understand each other and agree on the strategic questions concerning the future of the LC of Yugoslavia.

It was, therefore, concluded that the working-consultative meeting of the members of the Central Committee of the LC of Yugoslavia resulted in a collective awakening and a greater degree of tolerance and readiness for dialogue. This instills hope for a solution to the present situation in the LC rationally, the statement of the Central Committee of the LC of Bosnia-Hercegovina concludes.

Ivan Matija Joins Republican Election Commission

LD1804225590 Belgrade TANJUG Domestic Service in Serbo-Croatian 1725 GMT 18 Apr 90

[Excerpt] Zagreb, 18 Apr (TANJUG)—The Republican Election Commission announced today that on the basis of the request from the Croat League of Communists-Party for Democratic Changes, it has verified Ivan Matija as representative of the party in the Republican Election Commission. [passage omitted]

New Serbian High Court Judges Sworn In

LD1904152890 Belgrade TANJUG Domestic Service in Serbo-Croatian 1105 GMT 19 Apr 90

[Text] Belgrade, 19 Apr (TANJUG)—At a formal ceremony in the Serbian Socialist Republic presidency today, newly appointed Serbian High Court judges Caslav Ignjatovic, Slavko Mucic, Vlastimir Nikolic, and Milan Subic, and newly appointed Deputy Republican Public Prosecutors Andrija Vlatkovic, Stanisa Ivanovic, Stanko Kasalovic, and Stanisa Radak were sworn in by vice President of the Serbian Assembly Dr. Slobodan Janjic.

Newly appointed public prosecutors from several municipalities in the republic and the Zajecar deputy municipal public prosecutor were also sworn in.